

A DONOR'S GUIDE TO THRIFT SHOP DONATIONS

A COMPLETE GUIDE TO
THRIFT SHOP DONATIONS INCLUDING
WHY DONATING IS IMPORTANT,
THE VALUE OF DONATING,
AND CHOOSING THE RIGHT
ORGANIZATION.



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Why We Wrote A Donor's Guide to Thrift Shop Donations

There is a common misperception of thrift shops across the country, and it's our job to set the record straight. Our research suggests that the majority of donors don't understand the true impact that their donations can make. When given to a charitable organization's thrift shop, they make a big difference in the lives of those with barriers to employment. The amount of thrift shop resale stores across the country is only growing, which means more purchases and the need for more donations.



There are currently more than 25,000 resale, consignment and Not For Profit resale shops in the United States.

- The Association of Resale Professionals

SHOPS

> 25,000
in the US

resale,
consignment;
not for profit

Donating to thrift shops with a social mission is massively important. Why you ask? A young man by the name of Donnie Edwards is a first-hand example of the good that can be done, fueled by donations from people like you.



When **Donnie Edwards** and his twin sister were born, Donnie was pronounced dead. As the doctor was filling out his

death certificate, he noticed Donnie had started to breathe. Donnie was diagnosed with Cerebral Palsy, an adversity that hit him before he could blink, remaining a constant in his life every day since.

After working with another employment agency that wasn't a good fit for him, Donnie was referred to Illinois' Division of Rehabilitation Services in conjunction with MERS/Goodwill's placement services. With the aid of Ashley Albrecht, MERS/Goodwill Director of Vocational Rehabilitation Services – Illinois, Donnie was eager to find work.

From the beginning, Donnie and Ashley agreed that the management and employees of a company were as important as the position itself. They focused on positions Donnie has previously held, dishwashing, stocking and custodial work. Despite a series of dead-end interviews and networking events, Ashley was determined to get employers to look beyond Donnie's physical appearance.

Like Ashley, Donnie was focused, positive and learning from each interaction. Using the resume-writing and interviewing skills that he learned with Goodwill's job programs, along with networking with former BP co-workers,

Donnie secured a job at the Fast Track in East Alton, Ill. as a custodian and stocker, just 61 days after entering the job placement program with Goodwill. He enjoys being around people, and likes that his new job allows him to interact regularly with his boss and co-workers, who he describes as “awesome.”

Donnie is one of hundreds that have benefited from the services that MERS/Goodwill provides, supported directly by the donations of those in the surrounding community.

Wouldn't you want to see more job opportunities for those

like Donnie? Shouldn't we be more mindful of thrift shop donations when throwing out unwanted clothes, computers, furniture, and other items?

The people at Goodwill never looked at me like I was different. They have always treated me like an equal.

- Donnie.

A Donor's Guide to Thrift Shop Donations contains insights from resale and employment professionals. Ultimately, our goal is simple: **educate donors on the real-world impact that their donations have on their communities and show them how they can help make a difference in the lives of those less fortunate.**





PART ONE

Choosing the Right
Organization

Choosing the right charitable organization isn't rocket science. It's a matter of asking yourself the right questions and doing the appropriate amount of research before deciding where to give. It's not about how much or how often you donate - **it's about choosing an organization with a mission that you believe helps others.**

Unfortunately, the thrift store landscape is not clear-cut. Not only are some thrift stores for-profit, there are also phony charities out there – even ones that are real but are wasteful or ineffective in what they do. All things considered, it's important to conduct the appropriate research to ensure that your money is going to an organization that is really going to make a difference.

Things to Consider When Donating



VIEW YOUR DONATION AS A DIFFERENCE MAKER

A donation is an investment that keeps on giving, even years down the line. Any gift to a charity or thrift shop has a major impact on its recipients. Plus, it gives you personal satisfaction because you helped someone else in his or her life, in a significant way. Some people invest in the same thrift shops and charities for their entire lives, taking the investment approach to the next step and becoming loyal to the cause they care about the most.

Sometimes, thrift stores have a **for-profit** approach, meaning that they accept and sell items in an attempt to make a profit,

instead of helping a cause. Typically, **non-profits** operate under a **501(c)3** tax exempt organization. Be aware of the differences between these two organizations.



DO YOUR RESEARCH USING REPUTABLE SOURCES

Give to a charitable organization is great, but please do the right amount of research before selecting where to give. **The best way to reassure that you're not giving to fraudulent charities is to closely follow these points:**

- » **Be wary of a charity that only seeks a cash donation** without much detail about their daily operations. These organizations can lose or steal your money very easily, making it doubtful that your money will make it to the people that really need it. Plus, **for tax purposes**, it's best to pay with a credit card or something that makes a paper trail.
- » **Be cautious of mail that is disguised as bills or invoices.** We've all seen mail pieces that are designed to look like checks, bills, and other things of this nature. Odds are, if it looks like a fraud, it most likely is a fraud.
- » **Ask lots of questions to organizations with very little information on actual day-to-day operations.** A classic example of this is the charity that springs up overnight. They may sound like they have a compelling mission to achieve, but they probably don't have the infrastructure to deliver your donation to the people who *really* need it.
- » Know the difference between "tax-exempt" and "tax-deductible." **Tax-deductible** means that you can deduct your contribution on your federal income tax return. **Tax-exempt** means that you might be excused from a single or multiple taxation laws.

donate



INVESTIGATE THE ORGANIZATION'S ADMINISTRATIVE COSTS

According to the American Institute of Philanthropy, administrative costs should be *40% or less* to make sure the charity is financially sound. There are many charitable organizations that have much less than a 40% administrative budget, so keep your eye out for those options.

For many charities, you can find significant information about their efficiency at CharityNavigator.org, an independent nonprofit that evaluates and rates charities in the United States. You can also investigate businesses or charities through the **Better Business Bureau** at bbb.org.



KEEP TRACK OF YOUR DONATIONS

You've made a donation and that's great! But what's next? **Keep a physical and digital record of your organizations meetings and key events for the year.** These are the best ways to see your investment at work. Also, as mentioned previously, you might be able to receive a tax deduction for your charitable contributions. In this case, track the dates and the amount you gave, payment methods, and the desired use of your gift. Many thrift shops give you tax deductible related information when you make your donation, or refer to *part three* of this guide.



WHY DONATE TO GOODWILL

Goodwill is one of the most trusted and respected organizations in the world. In fact, *over 95%* of all donations contributed (including sales of donated goods) go to the mission of the organization:



The primary focus and success of MERS/Goodwill's employment and rehabilitation programs is in our ability to prepare people for the world of work. MERS/Goodwill provides the opportunity to work toward the goals needed to achieve the maximum level of productivity in one's personal life and employment.

No matter how you contribute, your community is grateful for your support.

Last year - 2012 – your donations to MERS/Goodwill were able to provide

48,000 people with career services.



PART TWO

Why

Donating is Important

Donors Give Opportunities to Persons with Barriers to Employment

Often times, there is confusion among donors as to how and why their donation is important to the welfare of the community. Their confusion could lie in the differences among thrift shops in the industry. For example, a thrift shop that supports disaster relief isn't going to have the same mission as a thrift shop that helps people through employment. In some cases, your donation might help a variety of different causes.

Employment and rehabilitation programs are the keys to a more progressive society. Without these programs, we wouldn't be able to prepare people for the world of work, specifically with the knowledge required to perform the work tasks at hand. Job success often means having sufficient self-esteem and self-confidence, combining the challenges of personal life with the complexities of interpersonal relationships with co-workers and supervisors.

Your donation provides the opportunity for those with barriers to employment to work towards the goals needed to excel at the maximum level of productivity in one's personal life and employment.

Services Supported with your Donations



Here are examples of community services that your thrift store donations help support:

AUTISM EMPLOYMENT PROGRAM

Autism is a group of developmental brain disorders, which together are called the **autism spectrum disorder** (ASD). It's called a "spectrum" because the disorder refers to a wide range of impairments that people with ASD can have. Some people are mildly impaired while others suffer greatly from the disorder.

The Autism Employment Program is supported through your donations, and it helps individuals on the Autism Spectrum prepare for the world of work. The program offers one-on-one support, group workshops and social support that encourage individuals to socialize during their employment. ASD staff assists individuals in building a program designed around strengths and needs – this allows for success at work.

Services in the Autism Employment Program are holistic in that a program member is supported through community social opportunities and some independent living skills.

CAREER COUNSELING

In today's economy, finding a job is a challenge. This is particularly true for those with disabilities. Career counseling can determine the appropriate vocational goals for an individual while identifying any barriers that may interfere with success. Employed individuals may need further career development down the road. For example, some career counseling programs help head injury patients, the deaf, and others with new skills such as goal setting, job retention, and communication skills training. Career counseling not only places job candidates, but it helps individuals hold jobs while adapting to new working environments.

DEVELOPMENTAL DISABILITY

The need for employment also affects those with **developmental disabilities**. These individuals have lifelong disabilities that range from physical to mental impairments. Many developmental disabilities are the cause of many different social, environmental and physical factors including traumatic brain injury, infection before or after birth, or growth and nutritional problems.

Many participants in this program prefer to work in sheltered workshop settings. Organizational employment services are designed to further the vocation skills of those needing to enter the workforce. The program offers help for those who are unable to meet the demand of competitive employment and integrated them in work settings with other competitive workers. They work to enhance workers' performance in areas like work speed, prioritization among tasks, motor skill training, quality and control, and other areas

that are seen in competitive workplaces.

SENIOR SERVICES

The seniors in our communities find fulfillment and gratification when working in environments that mean a lot to their personal beliefs. For example, an ex-teacher might want to contribute to day care children by reading them books, assisting them in arts and crafts, and providing experience to the young people. The **Senior Community Service Employment Program (SCSEP)** is one program that helps older workers with work based training services. A federal program that is authorized by the Older Americans Act, they supply low-income persons 55 and older with a wide variety of community service programs. SCSEP has a quantifiable goal to place 30% of its authorized positions into unsubsidized employment annually.

SKILLS TRAINING

The American work environment is competitive. If a worker's skills are not at the highest performing level, they risk getting laid off. Skills training for those in office and administrative environments have the opportunity to get further training that includes typing, data entry, clerical applications, personal computer operations, and more.

For example, a PC technician skills training program is designed for preparing students to achieve A+ certification. This level of certification will help students obtain entry level positions in the IT field, an emerging field that will be sure to stick around for decades. Courses also serve as a foundation for students interested in pursuing advanced certifications in the IT field.

VETERANS

Veterans are referred to MERS/Goodwill through the **Veterans Administration-Vocational Rehabilitation and Employment (VR&E)**. *Services may include:*

- » **Evaluation and Career Counseling** offered at all Career Centers
- » **Placement Services** offered at all Career Centers
- » **Skills Training Programs**





PART THREE

The Value of
Donating



What is Fair Market Value?

The best way to determine the value of your donations is to use IRS documentation as your guide. The IRS recommends identifying your property's **fair market value** (FMV) before determining how much you may deduct for property that you contribute.

According to the IRS, fair market value is the price that property would sell for on the open market. It's the price that would be agreed on between a buyer and a willing seller.

For example, if you give clothing to a thrift shop, the FMV would be the price that typical buyers actually pay for clothing of this age, condition, style, and use. Usually, items are worth far less than what you paid for them.

In making and supporting the valuation of property, all factors affecting value are relevant and must be considered. [These include:](#)

- » The cost or selling price of the item.
- » Sales of comparable properties.
- » Replacement cost.
- » Opinions of experts.

Donation Value Guide

How can you determine the FMV of ordinary kinds of donated property? The IRS provides a guide to exactly this, which can be found here: <http://www.irs.gov/publications/p561/ar02.htm>

Charitable Contributions

You can lower your tax bill by making charitable contributions to qualified thrift shop organizations. Here are some [tips for making the most of your charitable contribution](#):

- 1** If your goal is as simple as a tax deduction, then you must be giving to a qualified organization, such as MERS/Goodwill. IRS Publication 526 will give you the exact rules for what is defined as a qualified organization.
- 2** Non-cash property is valued at the FMV of the property, so be sure to get your receipt! As mentioned in the Used Clothing and Household Items sections, the items must be in good used condition or better to be deductible. Special rules apply to vehicle donations. [LINK TO IRS](#)
- 3** To claim a deduction for contributions of cash or property equaling \$250 or more you must have a bank record, payroll deduction records or a written acknowledgement (receipt) from the qualified organization showing the amount of cash and the description of any property donated. For all contributions of \$250 or more, one document may suffice for the written communication requirement for monetary gifts and written acknowledgement requirement.
- 4** A donation of an item or a group of similar items valued at more than \$5,000 must also complete Section B of Form 8283. This form usually requires an appraisal by a qualified appraiser.



PART FOUR

Donor **Guidelines**



Acceptable Items

Thrift shops across the country aim to make the donation process as easy as possible. For instance, clothing resale, consignment and not-for-profit resale shops in the United States allow you to drop off your gently used items with a few simple guidelines to consider. The majority of the below items are generally accepted by MERS/Goodwill, but many thrift shops across the country accept far fewer items than listed here, so check with your local shops! Also, when donating to MERS Goodwill, don't worry about the condition of your items – let us make that call. We can recycle almost anything we receive, so even if it is not fit to sell, we will handle it responsibly.



MERS/Goodwill and partners earned the support of more than 83 million donors in the United States and Canada in 2012.

– Goodwill Industries International, Inc.





ACCEPTABLE ITEMS

Clothing & Accessories

- » All seasons of clothing
- » Accessories
- » Handbags
- » Jewelry
- » Shoes/boots

Housewares

- » Cookware
- » Dishes, silverware, and glassware
- » Luggage
- » Pictures & mirrors
- » Mason jars
- » Lamps

Furniture

- » Antiques
- » Baby furniture
- » Bedroom
- » Bicycles
- » Dining table & chairs
- » Exercise & sports equipment
- » Lawn Furniture
- » Aquariums
- » Blankets & comforters
- » Curtains
- » Sheets, pillowcases, mattress pads
- » Towels

Appliances

- » Can openers
- » Clocks
- » Coffee makers/pots
- » Electric fry pans, saucepans
- » Fans
- » Hair dryers
- » Electric heaters
- » Irons
- » Lamps
- » Microwave ovens
- » Mixers/blenders
- » Radios/stereos
- » Sewing machines
- » Telephones
- » Televisions
- » Toasters
- » Vacuum cleaners
- » VCRs
- » Dehumidifiers
- » Computers
- » Computer accessories
- » Cell Phones

Other

- » Area Rugs
- » Art
- » Automobiles/Trucks
- » Books
- » Console Stereos (store locations only)
- » Collectibles
- » Encyclopedias & Text Books
- » Games
- » Medical Aids: Crutches, Walkers, Wheelchairs, Etc...
- » Seasonal Items
- » Small Musical Instruments
- » Sports Equipment
- » Tools (hand tools, small power tools)
- » Toys
- » Videos
- » Vintage Magazines (10 years or older)





Unacceptable Items

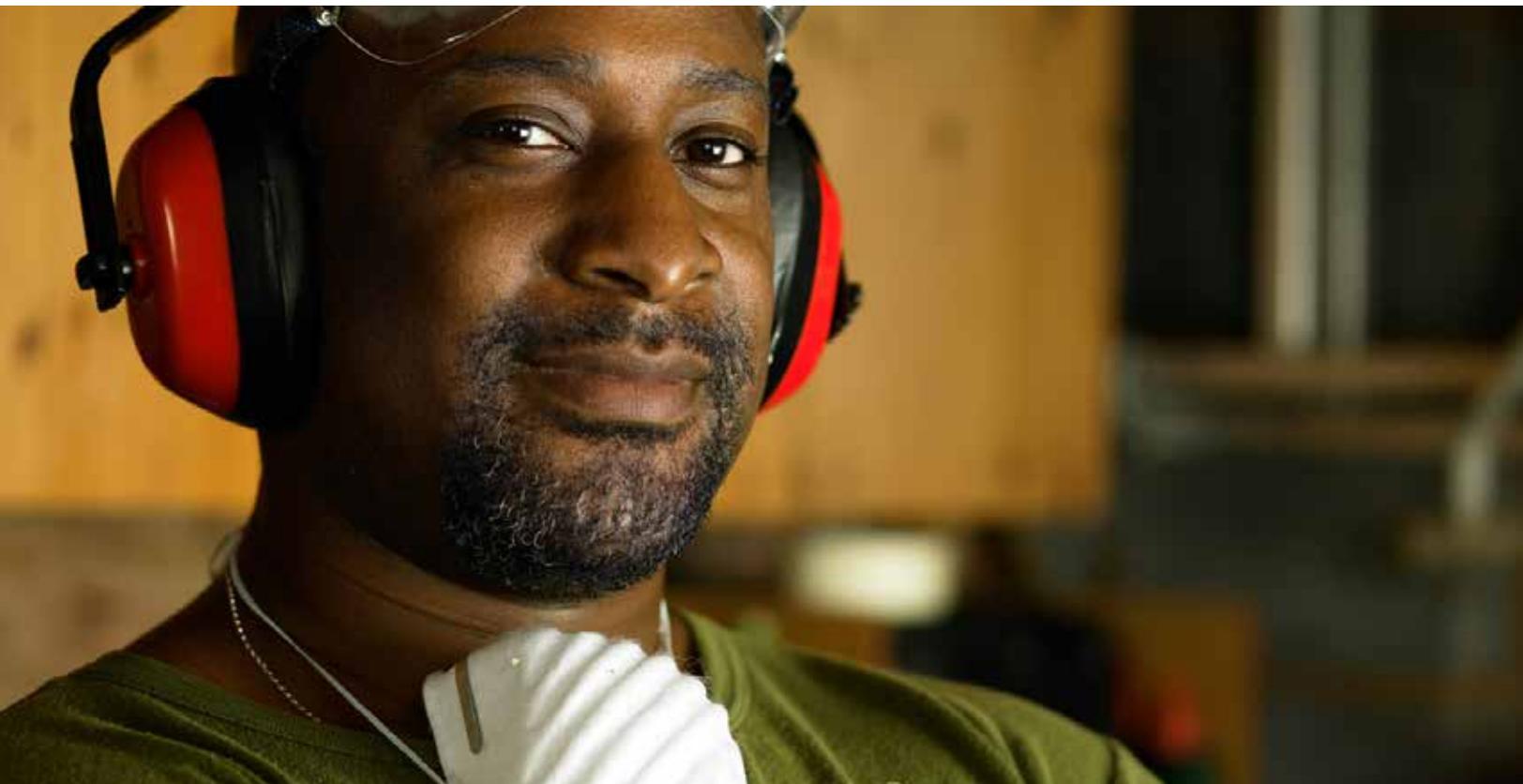
As you can see from the list above, thrift shops gladly accept many donations from their community. Unfortunately, there are items that they must refuse due to safety regulations issued by the **Consumer Product Safety Commission (CPSC)**.

The CPSC aims to protect consumers from unreasonable risks of injury or death associated with thousands of consumer products such as toys, cribs, power tools, and more. Additionally, some thrift shops must refuse items that are too costly to handle, are too difficult to resell, or cannot be repaired as required by the CPSC.



Deaths, injuries, and property damage from consumer product incidents cost the nation more than \$1 trillion annually.

– United States Consumer Product Safety Commission.





UNACCEPTABLE ITEMS

Mattresses/Box Springs:

- » Water bed
- » Mattresses and
- » Waterbed frames

Large Appliances:

- » Refrigerators
- » Freezers
- » Stoves/ovens
- » Washers/dryers
- » Air conditioners
- » Furnaces
- » Trash compactors
- » Water heaters
- » Large console - stereos
- » Freon-based appliances
- » Etc.

Car Parts or Tires

Household Chemical Products:

- » Pesticides
- » Paint
- » Paint thinner
- » Drain cleaner
- » Oven cleaner
- » Aerosols and other environmentally-unfriendly waste products

Automotive Hazardous Waste:

- » Tires
- » Lead acid batteries
- » Additives
- » Gasoline
- » Oils
- » Antifreeze
- » Etc.

Partially Used or Open Personal Care Items:

- » Nail polish remover
- » Perfume
- » Shampoo
- » Shaving cream
- » Hairspray
- » Etc.

Food

Fuel Powered Tools

Traditional Recyclables:

- » Glass
- » Newsprint
- » Office paper
- » Cardboard
- » Plastics
- » Magazines

- » Junk mail
- » Etc.

Guns and Ammunition

Cribs, Car Seats, Walkers or Other Products

that do not meet the current safety standards of the U.S. Consumer Product Safety Commission, including recalled items

Building materials:

- » Sinks
- » Toilets
- » Plumbing fixtures
- » Carpeting/ padding



PART FIVE

What Happens to
Your Donation?

Donations

The circle of hope all starts with the items that you donate to thrift shops across the country. We take these items and put them through a process to ensure that we're getting the most out of every piece of clothing or other item that's accepted by thrift shop staff members.

This process begins with the sorting phase. Before donating, take a look at our previous section on "Unacceptable Items." The items must be evaluated to find out if they're suitable to sell at our retail locations. When donating to MERS Goodwill, please donate anything you have and let us make the call. The sorting process provides jobs and if items are unsuitable for sale, we do our best to keep the "good stuff" out of our landfills, recycling everything possible.

Our first concern is the safety of our shoppers. Please don't give us items that are recalled or deemed unsafe by the CPSC. Your help ensures that these items never make it to the shelves of our retail stores.

Retail Stores

The best-donated items make it to the shelves of our retail stores, where we offer the basics at a great value. Some Goodwill stores even offer name-brand designer brands, including jewelry, wedding gowns, antiques and other items that you won't find in traditional retail locations.



Most Goodwill stores introduce more than 2,000 new items every day into their inventory mix on the sales floor.

– Goodwill Industries International, Inc.

Looking for a bargain?

Most thrift shops have a constant turnover of merchandise on a daily basis.

Outlet Stores

The donation flow for outlet stores start with the sorting process. Donated goods are deemed "**sellable**" and typically spend four weeks at retail locations. From there, they are sent to outlet stores.

Outlet store rotation works on volume, so the more donations that are received, the more donations that come back to the outlet, ultimately quickening the rotation. Many bins don't last at a location more than a few hours.

Here is Their Breakdown by Department Per Day:

- » 100 bins of clothing & textiles
- » 8 bins of shoes
- » 20 bins of hard goods

Most thrift shop outlet stores utilize pay by the pound pricing. MERS/Goodwill's outlet store, for example, is 39 cents per pound for books & glassware, everything else is 79 cents per pound.

Recycle

Thrift stores across the country contribute significantly to the reduction of waste, the reuse of clothing, and the repurposing of hard goods.

Goodwill saves our landfills from more than two billion pounds of clothing and household goods each year.

– Goodwill Industries International, Inc.

Additionally, Goodwill Industries International won an EcoCEO Award in the implementer category for medium sized businesses and nonprofits. Their efforts focus on eco-friendly practices across six target areas including water conservation and energy efficiency.

They do this by:

- » Offsetting 100 percent of their energy through the use of **renewable energy certificates (RECs)**.
- » Utilizing efficient overhead lighting and occupancy sensors.
- » Utilizing Energy Star-labeled products and eco-friendly appliances.
- » Reducing energy consumption during off-hours.
- » Purchasing eco-friendly products.

Job Training

If you read Part One of this guide, you Donnie Edwards, the young man who proudly landed himself a job through MERS/Goodwill. Donnie is one of the many people who have benefited from the job training provided by thrift shops across the country.

Training classes provide individuals with one-on-one instruction and equip consumers with entry-level skills. Many of these programs even offer certificates of completion, incentivizing students to work hard at accomplishing their goals.

Here's two other training programs offered that weren't discussed in our Skills Training section of Part One:

- 1** **Building Maintenance:** This entry-level, 30-week course teaches students about the basic principles of building maintenance. The training also includes an EPA approved certification for HVAC Recovery, among others. Most of the instruction involves hand-on shop time that pushes students to complete actual work projects.

2 Culinary Arts: Students who have an interest in pursuing a career in the food industry are encouraged to attend the 20-week course in culinary arts. Much of the emphasis is placed on the principles of professional cooking, like sanitation and safety measures. The major stations of working in a kitchen and cafeteria are also given adequate hands-on training.

Community

At the end, it all comes down to helping our local communities. Thrift shops across the country make an impact by providing a social return on investment for donors, making self-sustaining community organizations, and by creating jobs through non-profit initiatives.



thank you!



MERS/Goodwill always appreciates receiving your questions and suggestions. 📱

Feel free to give us a call at 314-241-3464

or fill out our [Donation Satisfaction Survey](#).

We're happy to hear from you!