



## FREQUENTLY ASKED QUESTIONS & ANSWERS

We've put these FAQs together to answer most of your questions about Michael's CARES. If you have a question that is not answered here, e-mail us at: [Michael'sCARES@michaels.com](mailto:Michael'sCARES@michaels.com), or call 972-409-5858.

### **GENERAL PROGRAM QUESTIONS**

**Q: *What is Michael's CARES?***

A: Michael's CARES is a company and Team Member sponsored charity designed to help Team Members in times of greatest need through immediate cash grants.

**Q: *Why did we organize Michael's CARES?***

A: Hurricane Katrina showed us how caring and compassionate our Team Members are when we raised over \$55,000 in a few weeks for charity. Many Team Members asked how they could directly help our own Team Members who were impacted by that tragedy and emergencies in the future. Michael's CARES allows us to help our Team Members in times of greatest need.

**Q: *In what situations will Michael's CARES help a Team Member?***

A: We help Team Members who are facing unforeseen emergencies by accepting applications for situations where a Team Member has experienced:

- Destruction of or Severe Damage to primary residence due to natural disaster or victim of a crime
- Forced Evacuation from primary residence by local community authority due to severe weather conditions, natural disaster or other hazardous condition
- Death of dependent family member, parent, child, grandparent, grandchild or Team Member
- Life-threatening illness or injury of dependent family member or Team Member
- Foreclosure/Eviction or Notice of Foreclosure/Eviction

**Q: *What family members are included as a dependent family member?***

A: A dependent family member defined as a person for which the Team Member is 100% financially responsible for. The Team Member would need to provide tax return, court ordered documentation, or medical documentation.



## FREQUENTLY ASKED QUESTIONS & ANSWERS

### **Q: *What situations are not eligible for Michaels CARES assistance?***

A: Michaels CARES is set up to help those in greatest need resulting from unforeseen disaster primarily out of their control, there are specific guidelines that are followed to ensure that we are well prepared when disaster strikes.

To respond to this question more specifically, please note some examples within the major categories that would *not* be addressed by Michaels CARES:

- *Destruction of primary residence:* The insurance company is paying for immediate needs and the Team Member needs new furniture and electronics.
- *Significant Damage to primary residence:* The residence is damaged due to neglected maintenance items, such as a furnace fire or flooding due to faulty appliance.
- *Forced Evacuation:* The evacuation is required due to violations of health and safety codes unique to the specific residence that could have been avoided or prevented through regular maintenance. Law enforcement forces evacuation due to illicit or illegal activities present in the residence.
- *Death of Team Member or Dependent:* The deceased is not a qualifying family member or has life insurance greater than \$20,000.
- *Life-threatening Illness or Injury:* The Team Member/dependent has common illnesses and injuries that are not life-threatening such as the flu, bronchitis, or back pain. A diagnosis of cancer does not automatically qualify as a life-threatening illness.
- *Foreclosure/Eviction or Notice of Foreclosure/Eviction:* The foreclosure or eviction is not in relation to one of the causes listed on the application.

### **Q: *How much will Michaels CARES provide to the Team Member?***

A: Grants will be awarded based on the situation. Our general guidelines are to help Team Members through the immediate period of time before other forms of assistance may become available. Our goal is to ensure our Team Members have shelter, food and clothing during these challenging times.

### **Q: *Who approves the requests?***

A: A group of 11 Team Members representing all divisions and diverse levels of the company review all requests. Majority rules.

### **Q: *How is the company supporting Michaels CARES?***

A: The Company originally donated over \$150,000 to Michaels CARES from money earned through Support Center Sample Sales. Sample Sale revenue continues to benefit Michaels CARES. The company also supplements the fund with additional donations and special events.



# FREQUENTLY ASKED QUESTIONS & ANSWERS

## ***Q: What can I do to help support Michaels CARES?***

A: The majority of support comes directly from our Team Members through payroll deductions. Your manager can provide you with payroll deduction instructions that will assist you in setting up your deductions to donate as much as you want. Your money will go directly towards helping a fellow Team Member in need.

You may also elect to donate a lump sum of any amount to Michaels CARES. All donors contributing \$250 or more will automatically receive a receipt that can be used for tax purposes.

## ***Q: What if I know someone who needs help?***

A: Feel free to remind your fellow Team Members about this program. You can always print the information from the website and provide a copy to them.

## **QUESTIONS ABOUT REQUESTING HELP**

### ***Q: If I share personal information, who will know it?***

A: We will only ask for information that we need to approve a request. Once we receive a request, we will remove your name from all approval documents. Our guiding principle is to keep your information as confidential as possible while providing you the assistance you need.

### ***Q: What serious illness or injury situation would trigger a request for a grant?***

A: The situation must be serious enough to cause a severe financial impact for the Team Member. That would mean the Team Member might not be able to pay rent or mortgage, or provide food for household family members. A rule of thumb would be that the illness or injury must be life-threatening.

### ***Q: Why do I need a sponsor?***

A: A sponsor is required as part of the process to ensure you have a partner through this trying time or, in some cases, to actually complete the process for you if you are not able to. The sponsor becomes the communication liaison between you and Michaels CARES.

### ***Q: Who can be a sponsor?***

A: Your sponsor will be your supervisor, another member of management or a Human Resources representative. A sponsor *must* be designated for an applicant to be considered eligible.

If you are considering being a sponsor for a Team Member, please ensure that you are fully aware of the responsibilities associated with this role. Call Michaels CARES if you have questions or concerns. The role of the sponsor is key to the successful functioning of this program.

### ***Q: Who is eligible for a grant?***

A: All Team Members of Michaels Stores, Inc are eligible. This does not include contract workers.

### ***Q: Is there a limit to how many times or how much money a Team Member can receive?***

A: We have set giving guidelines for the types of situations our Team Members may face. A Team Member may only receive a grant for a particular situation one time. Should the situation worsen, the application may be considered for another grant. (For example, a Team Member who received a grant for a child's illness may receive a subsequent grant if the child passes away.)



# FREQUENTLY ASKED QUESTIONS & ANSWERS

## QUESTIONS ABOUT DONATIONS & TAXES

**Q: *How much can I donate?***

A: As much as you want.

**Q: *Can I make a one-time donation?***

A: Yes, simply mail your check to Michaels CARES at 8000 Bent Branch, Irving TX 75063. Include your name and a return address so we can send you a receipt for your taxes for amounts more than \$250. At this time, we can only accept checks or credit card donations – no cash.

**Q: *Can I choose to direct my donations to specific Team Members?***

A: No. All donations go to a general fund so we can help all Team Members who may be in need.

**Q: *Can I donate in a method other than monetary, such as items from home or vacation time?***

A: Not at this time.

**Q: *Is Michaels CARES a 501(c)(3) charity?***

A: Yes! Michaels CARES has been approved by the IRS as having a 501(c)(3) charity status in the United States providing the program with a tax-free status.

**Q: *If I give to Michaels CARES, will my donation be tax deductible?***

A: For U.S. Team Members, your donations will be deductible as allowed by law. Michaels CARES is a registered 501(c)(3) charity. Canadian tax law is different and so Canadian Team Members' contributions are not tax-deductible.

**Q: *Why can't Canadian Team Members take a tax deduction?***

A: Canadian tax law does not permit tax deductions for contributions to private charities. Because Michaels CARES limits its grants to Michaels Team Members, we do not qualify in Canada for that distinction. We would rather dedicate our Team Members' donations to our own people. We think our Canadian Team Members would agree with this plan!

**Q: *Are Support Center Sample Sale purchases tax-deductible?***

A: No. Sample Sales are conducted by Michaels Stores, Inc, not directly by Michaels CARES. The money collected from a Sample Sale or other fundraiser is donated to Michaels CARES, but until it is, the money belongs to Michaels Stores, Inc.

**Q: *Will I have to pay taxes on any grants Michaels CARES provides?***

A: U.S. Team Members will receive their grants tax-free and would not need to claim the amount as income. Canadian Team Members *must* claim the grant as income. To reduce any tax burdens for our Canadian Team Members, we will gross up the grant amount by 30%.

**Q: *Will I get a receipt for my taxes?***

A: For U.S. Team Members, your annual W-2 tax form includes a line item for all payroll deductions. For one-time donations under \$250, your cancelled check is your receipt. Donations over \$250 will include a receipt from Michaels CARES.



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**Q: *Is this Payroll Deduction for Michaels CARES considered a pre-tax deduction?***

A: No. It is not a pre-tax deduction. However, you may file the total amount as a charitable deduction at tax time.

### **ADMINISTRATION AND PROCESS QUESTIONS**

**Q: *How long will it take for a Team Member to receive a grant?***

A: Our goal is to process most requests within 2 - 5 business days. There may be situations where the need for additional information or discussion extends that timeline, but our guiding principle is a fast turnaround to our Team Members in need.

**Q: *What is the first step in a new request?***

A: Download and complete the application form from the intranet website or portal and seek a sponsor. *Sponsorship is required.*

**Q: *How are the grants distributed?***

A: For Team Members in the U.S., we will provide a 'Cash Card' which operates like a debit card and is accepted at the majority of ATMs all over the country. Canadian Team Members will receive a cheque. In either case, we will send the grant to the Team Member in overnight express mail whenever possible.

**Q: *Will I have to provide documentation of my situation?***

A: Yes. You will need to provide information about the details of your situation and its financial impact. The application form lists the basic requirements for each situation.

**Q: *Are there any rules about how I use the grant money?***

A: We hope recipients will use the grants for immediate urgent needs such as food, shelter and clothing. We trust our Team Members to do the right thing.

**Q: *What if my application is denied?***

A: We will contact your sponsor to explain our reason for denying your request, or ask for additional information or documentation that might help us approve it. Your sponsor will then personally discuss the situation with you and request clarification if appropriate.

**Q: *How long does it take for the payroll deduction to appear on my paystub?***

A: Please allow up to two pay periods before the deduction appears on the Team Member check. If it does not appear within this timeframe, call or email Michaels CARES.

**Q: *My question was not answered here. Who can I contact?***

A: If you have a question that is not answered here, please e-mail us at: [MichaelsCARES@michaels.com](mailto:MichaelsCARES@michaels.com), or call 972-409-5858.