



DISTILLERY MANUAL & OPERATING PROCEDURES FOR DISTILLERY STORES





Foreword

The Virginia Department of Alcoholic Beverage Control is committed to providing excellent customer service for the citizens of the Commonwealth. Accomplishing this task requires that we model best practices and be able to adapt to changing demands.

This manual is intended to serve as a reference guide for Virginia Distillers who are presently conducting business with Virginia ABC as well as educate new and prospective Virginia distillers about Virginia ABC's policies and procedures.

The information listed herein is subject to revision by Virginia ABC as needed.

In keeping with our desire to provide excellence in customer service please forward any suggestions for any additional information that you would like to see included in this manual to distillerygroup@abc.virginia.gov

Virginia ABC's Vision

To enhance the quality of life for Virginia's citizens by balancing service, revenue and control in the distribution, sale and consumption of alcoholic beverages.



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How to Open a Distillery

Licensing

In order to legally distill spirits in the Commonwealth of Virginia, prospective distillers must obtain a Beverage Distilled Spirits Plant permit from the Alcohol and Tobacco and Trade Bureau (TTB) and a Distillery License from the Department of Alcoholic Beverage Control. The production of spirits cannot begin until both documents have been issued.

A Virginia ABC Distillery License allows for the manufacture of distilled spirits and the sale of the manufactured spirits to Virginia ABC, the government or any entity outside the Commonwealth of Virginia legally authorized to receive the product.

Virginia ABC is the wholesale distributor and sole retailer for all distilled spirits sold in Virginia.

A Distillery Licensee may be appointed as an independently operated agent of Virginia ABC for the purpose of selling distilled spirits manufactured by or for, or blended by such licensee on the licensed premises at ABC Stores established on the distiller's premises. To be appointed as such an agent of the Board for the purpose of selling distilled spirits on the distiller's premises the distillery licensee must first enter into a written agreement with the Board.

TYPES OF LICENSES

1. Distillery License: 5,000 gallons or less of alcohol or spirits or both, manufactured during a licensed year.
2. Distillery License: More than 5,000 gallons manufactured during a license year
3. Fruit Distillery License: Authorizes manufacture of any alcoholic beverages made from fruit or fruit juices. *(Note: this license does not authorize the Board to establish an ABC store on the fruit distiller's premises.)*
4. Limited Distillery License: 36,000 gallons or less, manufactured during a licensed year. *(Note: the distillery must be located on a farm in the Commonwealth on land zoned for agricultural use and owned or leased by the licensee, and agricultural products used in the manufacture of its alcoholic beverages are produced on the farm.)*

REQUIREMENTS FOR LICENSING

- Applicant should verify with the locality's zoning office that a distillery may be operated on the desired location.
- Federal basic permit and copy of completed TTB application
- Diagram of distillery space to be licensed and placement of distillery equipment
- List of distilling apparatus
- Deed/Lease/Sub-lease of distilling space
- Certificate of incorporation/organization
- Articles of incorporation/organization
- Operating agreement (If one exists)
- List of issued stock certificates or most recent annual corporate stock report (if applicable)
- Official DMV driving records
- Company's Federal ID number (FEIN)
- Photo copy of ID

All producers of food products which include alcoholic beverages in the Commonwealth are required to be inspected by the Virginia Department of Agriculture and Consumer Services (VDACS) prior to production of such products.

Information regarding food safety and inspections can be found at: <http://www.vdacs.virginia.gov/dairy-food-and-beverage-manufacturing.shtml>

APPLICATION FOR ABC LICENSE

The application for ABC licenses with instructions [Virginia ABC License (805-52)] can be found and downloaded from our website at <https://www.abc.virginia.gov/licenses/get-a-license/retail-licenses>

An ABC license cannot be issued until:

- All required documents have been received. *Please note: Failure to provide required documents is the primary cause of delay in the licensing process.*
- A special agent has completed his/her investigation which is to include a site visit.
- All fees have been paid.
- Posting and publishing has occurred. The owners must publish notice (in English) at least two times in a newspaper having a general circulation in the county, city or town where the owner proposes to conduct business. The two publishings must occur in consecutive weeks; the second publishing in at least seven days after the first, but no later than Saturday of the second week.
- Any local government or citizen objections have been resolved. The Code of Virginia compels Virginia ABC to afford citizens of the Commonwealth 30 days, from the date of the first newspaper publication, in which to lodge a valid objection to the issuance of an ABC license.
- The establishment is ready to begin operations.

FEDERAL PERMITS

Information and documents regarding federal requirements for obtaining permits and the production of distilled spirits can be found on TTB' Distilled Spirits homepage: <https://ttb.gov/spirits>

Distillery Store

If your plans include opening a store on the premises of your Distillery in order to directly sell your product(s) to the general public, you must first have at least one of your products listed and sold through Virginia ABC retail stores. More information about the Virginia ABC listings process can be found in our "Supplier Manual" at:

<https://www.abc.virginia.gov/library/licenses/pdfs/suppliermanual.pdf>

Distillers with a product listed with Virginia ABC's Management of Inventory and Product Sales System (MIPS) who wish to sell their product directly to paying customers on the premises of the Distillery must first be authorized as an ABC "Distillery Store" and enter into a contract with Virginia ABC.

The completed application and agreement will be reviewed by Virginia ABC and an approval or denial decision will be issued.

Fees

FEE TYPE	Fee Amount
Distillery License application fee	\$65.00
Criminal record check	\$15.00 per person in corporation or LLC who are officers, member of corporation or have a 10% or more stake
Distillery License, <= 5,000 gals	\$450 per year
Distillery License, 5,001-36,000 gals	\$2,500 per year
Distillery License, > 36,000 gals	\$3,725 per year
Fruit Distiller's license	\$3,725 per year

****The Distiller shall pay the necessary fees to renew the Distillery License on an annual basis, as well as comply with the requirements stipulated in the Distillery License privileges.***



Compliance

Record Keeping

Distillers must keep complete, accurate and separate records of all business activities for a period of two years on the licensed premises. Such records shall be available for inspection by a Virginia ABC special agent during reasonable hours.

At a minimum such records shall include:

- Amount of alcoholic beverages manufactured during a calendar month
- The amount of alcoholic beverages on hand each month
- The type and quantity of raw materials used in the production of spirits
- Withdrawals for shipment to Virginia ABC
- Withdrawals for shipment outside of the Commonwealth to include:
 - ♦ Name and address of consignee
 - ♦ Date of Shipment
 - ♦ Alcoholic content, brand name, type, size of containers and quantity

Distillers who operate distillery stores shall comply with the record keeping and reporting requirements as required by the “Distillery Store Agreement.” Records regarding the operation of a distillery store are subject to inspection and auditing by authorized employees of Virginia ABC.

Records may be stored as microfilm, microfiche, disks, thumb drives or any other available storage technology, provided they are available for inspection by special agents between the hours of 9 a.m. and 5 p.m. or within 24 hours of a request.

Helpful Hint: Distillers are not required to keep separate records for TTB and ABC. Distillers who accurately complete TTB reports and maintain supporting documentation will have met the recordkeeping requirements for ABC.

Inspections

The Virginia ABC Bureau of Law Enforcement routinely makes inspections of licensed establishments to verify that such places are operating in accordance with the ABC Act and Board Regulations. These inspections afford licensees and their employees an opportunity to become acquainted with their compliance senior special agent as well as provide licensees with the opportunity to ask questions and be updated on any relevant information pertaining to their operations. During an inspection a senior special agent may examine and verify:

- That the ABC license and federal permits are current and posted
- There has been no change in ownership
- Required records are being maintained
- There have been no unauthorized changes to the licensed premises

Distillery stores are subject to inspection and audits by special agents and other authorized employees of Virginia ABC. These inspections/audits are to insure that the distillery store is being operated in accordance with the signed “Distillery Store Agreement” and that all monies due the agency have been paid. Distillery stores may also be audited by the auditor of public accounts as they operate under an agency agreement with Virginia ABC.



Operating a Distillery Store

Requirements and Conditions for Distillery Stores

The requirements and instructions for the operation of a distillery store are found in the “Distillery Store Agreement” which is shown below:

DEFINITIONS

- A. The Department: The Department of Alcoholic Beverage Control.
- B. The Board: The Virginia Alcoholic Beverage Control Board.
- C. Distillery store: Government store located on a distiller's premises, operated by the distiller as an independently operated agent for the Department for the purpose of selling distilled spirits.
- D. Distiller (also referred to as licensee): The holder of a Distillery License issued by the Department of Alcoholic Beverage Control pursuant to §4.1-206 (1)(2) of the Code of Virginia.
- E. Distillery License: License issued by the Department which authorizes the holder to manufacture alcoholic beverages other than wine and beer, and to sell and deliver or ship the same, in accordance with Board regulations, in closed containers, to the Department and to persons outside the Commonwealth for resale outside the Commonwealth. When the Board has established a government store on the distiller's licensed premises pursuant to subsection D of § 4.1-119, such license shall also authorize the licensee to make a charge to consumers to participate in an organized tasting event conducted in accordance with subsection G of § 4.1-119 and Board regulations.
- F. Place or Premises: The real estate, together with any buildings or other improvements thereon, designated in the application for a license and approved by the Board as the place at which the manufacture, bottling, distribution, use or sale of alcoholic beverages shall be performed, except that portion of any such building or other improvement actually and exclusively used as a private residence.
- G. ABC Bureau of Law Enforcement: The division within the Department that is charged with enforcing the alcoholic beverage control laws and regulations of the Commonwealth.
- H. Special Agents: Employees of the Department of Alcoholic Beverage Control whom the Board has designated as law enforcement officers.

AUTHORITY

The Department, pursuant to authority granted by § 4.1-119 of the 1950 Code of Virginia, as amended, may appoint the holder of a Distiller's License or its officers and employees as independently operated agents of the Board for the sale of spirits manufactured by such licensee at government stores established by the Board on the Distiller's licensed premises. The Department and the Distiller agree that the Distiller shall be authorized to sell such brands manufactured by or for the Distiller on the Distiller's licensed premises only. The Distiller is not a state employee and is not eligible for any benefits of employees of the Commonwealth of Virginia. In consideration of the terms contained in this agreement, the parties agree to enter into this contract.

OBLIGATIONS OF THE PARTIES

The Distiller is authorized to sell such brands manufactured by or for the Distiller and maintained on the premises of the distillery on behalf of the Department in accordance with, and in consideration of, the stipulations and terms hereinafter provided:

1. The Distiller shall comply with all applicable provisions of the Code of Virginia, ABC regulations, and any other applicable rules.
2. The employees selling the distilled spirits shall be at least 21 years of age or older. Distilled spirits shall only be sold to persons 21 years of age and older with proper identification who are not intoxicated or interdicted from purchasing alcoholic beverages by order of a Circuit Court.
3. All of the expenses relating to the operation of the Distillery store, including, but not limited to the necessary heat, light, bond, insurance, employee compensation and other utilities shall be borne by the Distiller. The Department shall not be responsible for any costs or expenses incurred by the Distiller in selling distilled spirits for the Department.
4. The Distiller shall keep complete, accurate and separate records of all business done pursuant to this agreement in the manner and form prescribed by the Department in the distiller manual and shall keep all such records extending back for a period of two years in a safe and secure place.
5. The Distiller consents to permit authorized representatives of the Department to have unrestricted rights to enter the Distillery store and to inspect records.
6. The Distiller further agrees to furnish an electronic cash register, internet connection (e-mail, internet, uploading forms) and computer equipment (monitor, printer) with a currently supported operating system. The Distiller will maintain a valid email address and business telephone. The Department will provide the Distiller with instructions on how to upload/provide sales, returns, and cash deposit data, located in the Distiller Handbook. The Distiller shall bear all expenses to ensure hardware and software requirements are met.
7. The Distiller will file a surety bond with the Board in an amount of at least \$25,000 unless the need for such bond is waived by decision of the Department. Such bond shall be conditioned upon the payment of all taxes and other monies due the Department. The Department will review the need of the surety bond on an annual basis and may waive the requirement of both the surety and the bond, in cases where the Distiller has previously demonstrated financial responsibility.
8. The Distiller will collect the sales tax on each bottle of distilled spirits sold and remit directly to the Department. The Department will in turn be responsible for remitting the sales tax collected by the Distiller to the Virginia Department of Taxation.

DURATION

This agreement shall remain in effect for a period of one year upon commencement and shall automatically renew on an annual basis thereafter, on the same terms and conditions herein, unless terminated pursuant to this agreement.

RETAIL OPERATIONS

Subject to the requirements of Code of Virginia §4.1-119, the Department shall fix the retail prices at which the distilled spirit is sold in the Distillery Store. Cash and credit/debit cards shall be the legal tender accepted for the purchase of such distilled spirits in the Distillery Store. Liquor sales cash receipt documents shall be maintained separate from all other business receipts, preferably through a separate cash register key. All credit card fee expenses shall be borne by the Distiller. In addition, any and all liability for fines or security breaches as a result of failing to comply with Payment Card Industry (PCI) data security standards shall be borne by the Distillery store. The Distiller will be required to provide an attestation of compliance with PCI-DSS within 10 business days of request.

A. Consignment of Liquor

1. The Distiller will store liquor inventory in a bonded area and will sell the inventory only after it has been moved to the sales floor.
2. When inventory is moved from the bonded area to the sales floor area, it must be reported to the Department. On the first business day of each month, the Distiller will report to the Department the actual inventory moved to the sales floor since the last report. Payment for withdrawn inventory will be made 30 days after receipt of the report. The Department shall determine the required reporting format.
3. The Department shall have the right to limit the number of bottles or cases moved from the bonded area to the sales floor based on actual sales history data.
4. As a customer service measure, the Distiller may accept damaged merchandise returned by the customer even if the damage is due to customer negligence, i.e. dropping bottle, etc. The customer must supply the sales receipt and the bottle seal must be intact. The Distiller must report damaged inventory on the sales report forms provided by the Department and denote whether a subsequent bottle was given to the customer or whether cash was returned. All merchandise returns must be made at the Distillery Store where purchased and not at an ABC retail outlet.
5. Distillery stores may sell distilled spirits to an ABC retail licensee authorized to purchase such spirits, provided the distiller adheres to all Virginia ABC policies and procedures.

B. Operations

1. Hours of operation: Distilled spirits may only be sold during hours and on days permitted for ABC retail operations.
2. The Distillery Store is to be closed on the following Holidays: Thanksgiving Day and Christmas Day.

ENFORCEMENT

The ABC Bureau of Law Enforcement is charged with enforcing the alcoholic beverage control laws and ABC regulations in the Commonwealth.

A. Compliance

1. The Distiller is subject to investigations through the Underage Buyer Program in which underage persons are sent into a licensed establishment to attempt a purchase of alcohol.
2. The Distillery License must be posted in a conspicuous place within the Distillery store.

B. Training

All employees and management of the Distillery Store are required to take at least one of the following training courses offered by the Department:

1. Responsible Sellers and Servers: Virginia's Program (RSVP) training is designed for clerks and other "front line" employees to help them become more responsible and to better understand ABC laws, rules and regulations.
2. Managers' Alcohol Responsibility Training (MART) is designed to help managers become more responsible and to better understand Virginia laws and regulations.

C. Tools to Prevent Underage Sales

"Do Not Sell" stickers are easy to read tools that aid sellers when checking customer identification. The Distillery store shall obtain such stickers from the Department's Communications Division and affix them to counters located at the point of sale.

D. Licensing

The Distiller shall at all times be properly licensed by Virginia ABC, as well as comply with the requirements stipulated in the Distiller's license privileges and the terms contained in this agreement. At any time during which a Distiller's license is suspended or revoked, the Distillery store shall not be allowed to operate.

FINANCIAL MANAGEMENT

The Financial Management Services Division of the Department will reconcile sales reports.

A. Deposits

1. The Department will set up an account at a bank of the Distiller's choosing, pending approval by the Virginia Department of the Treasury, for the purpose of depositing sales proceeds.
2. Deposits shall be required daily, weekly, or monthly as determined by the Department. The Distiller agrees to make remittances of all monies received from the sale of distilled spirits, including sales taxes, into the above bank account in the manner and form determined and designated by the Department.
3. All sales reports should be uploaded to the Department each time a deposit is made.

B. Sales Reports

The sales report shall be required daily, weekly, or monthly as determined by the Department, and shall correspond directly to the bank deposit. The sales report shall include a minimum of the following: product codes, retail price per code, the deposit date, the total deposit, list retail returns, list sales tax collected and itemized tender.

C. Commissions

In consideration for the sale of a distilled spirit, the Department agrees to pay to the Distiller, and the Distiller shall be entitled to receive 8 percent of gross sales as compensation for his services performed pursuant to this agreement. In addition, Virginia ABC will also reimburse the standard case handling fee for bottles sold at distiller store locations. For ease of implementation, the Distiller should move bottles to the retail store in set case amounts. For example, if the Distiller is selling ABC product X and it has a bottles per case (BPC) of 8, then the Distiller will move over the bottles in increments of 8 to ensure receipt of the \$2 per case reimbursement. If the Distiller moves over bottles in less than case-size amounts, there will be no case handling fee reimbursement or adjustment to the Distiller's cost. The case handling fee reimbursement will be included with the bailment (moved to stage) payment each month.

FACILITIES MANAGEMENT

The Distiller agrees to keep the Distillery store premises clean, well lit and in good repair to the satisfaction of the Department and to maintain the premises in compliance with all applicable, federal, state or local requirements.

AUDITS

The Department's internal auditor or other authorized Department employees and the state auditor may at any time conduct an audit or inspection of any books or records of the Distiller or Distillery store concerning operations or checks of inventory and money on hand. The Department shall have full and unrestricted access to all records related to the sale of distilled spirits. The Distiller will cooperate in any such audit or inspection, and the Department will use reasonable care to avoid interference with the Distiller's service to the public while carrying out such audit or inspection.

TERMS AND CONDITIONS

1. It is mutually agreed and understood that the foregoing agreement of the Distiller or any interest therein, cannot be directly or indirectly assigned, transferred, sold, or in any way alienated by the Distiller unless expressly consented to by the Department in writing. In the case of any proposed assignment, transfer, sale, alienation or the filing of probate, bankruptcy or other insolvency action, the Department shall be immediately notified and retains the option to immediately terminate this agreement upon such notice.
2. The Distiller further agrees to notify the Department on forms prescribed by the department of any changes in trade name known as "trading as" or "t/a" or business name (known as "doing business as" or "d/b/a") or change in ownership.
3. The Distiller shall have no power to make any statement, representation, or incur any debt, obligation, contract or liability of any kind, in the name of the Virginia Department of Alcoholic Beverage Control or the Commonwealth of Virginia.
4. The agreement is subject to amendment by the Department upon thirty (30) days written notice.
5. The agreement is subject to termination by the Department or the Distiller upon thirty (30) days written notice; provided, however, that the Department shall have the right to terminate the agreement immediately and without notice for good cause, which includes, but is not limited to, any of the following:
 - i. The Distiller or any employees thereof violates any provision of the Code of Virginia, policy, order, or directive of the Department, including any terms of this Agreement.
 - ii. The Distiller or any employees thereof intentionally participates in misappropriation of monies belonging to the Department.
 - iii. Bankruptcy, receivership or other insolvency action of the Distiller.

TASTINGS

Distillery licensees who are authorized to operate an agency ABC store on the distillery premises may conduct tasting events during which samples of spirits may be provided to patrons. Additionally, distillery licensees may also offer samples of wine, beer or cider to patrons during tasting events, provided the wine, beer or cider products are manufactured within the same licensed premises or on contiguous premises of the distillery licensee that is also licensed as a winery or brewery.

Samples are limited to ½ ounce for spirits, four ounces of beer and two ounces of wine for each product sampled and no more than four product samples can be provided per individual per day. No single sample shall exceed four ounces of beer, two ounces of wine or one half ounce of spirits unless served as a mixed beverage in which case a single spirits sample may contain up to one and one half ounces of spirits. No more than three ounces of spirits shall be served any one person per day.

While distillery licensees may not charge for individual drinks they are permitted to charge patrons a fee for participating in tasting events.

Individuals, who are under the age of 21 or intoxicated, are not permitted to purchase, consume or possess alcoholic beverages. Distillery licensees and their employees are responsible for insuring that all individuals sampling or purchasing alcoholic beverages are 21 years or older and are not intoxicated.

Only those distilled spirits products approved for sale in the VABC distillery store, wine, beer and cider manufactured on the same licensed premises or contiguous premises of the licensee may be offered for sampling. Nonalcoholic beverages such as mixers, juice or water may be offered as part of the tasting (i.e., a mixed beverage). If a mixed beverage is to be used as the sample, the final mix should be prepared in advance or follow a proven recipe as no distillery employee may taste samples for confirmation of flavor while on duty. No sample may contain more than ½ ounce of alcohol per drink.

The tasting room will employ a system of ensuring that customers are only permitted to participate in one tasting event per calendar day. This could be accomplished with tickets that are purchased in advance, a cash register receipt or any other means that enable the distillery store to track patrons that receive tastings each day whether purchased or given. Any person seeking an additional tasting will be told they are unable to do so.

Distillery store employees must ensure that the consumer finishes the sample and/or discards the cup and any remaining sample before leaving the sampling area. Consumers are not to carry samples around the distillery store nor remove them from the store premises.

Marketing to Restaurants

In order to market your products to mixed beverage licensees you, your employees or your representatives are required to obtain a Mixed Beverage Solicitors Salesman Permit. The form with instructions can be found and downloaded at <https://www.abc.virginia.gov/library/licenses/pdfs/solictorsalesman.pdf>

Distillery licensees and their employees may conduct tastings (sampling) of their products with consumers in mixed beverage restaurants provided:

- The products to be sampled are sold by the establishment
- The products being sampled must be served to the consumer by employees of the restaurant
- No more than one and one half ounces of spirits products may be provided to any one consumer and each sample may not contain more than one-half ounce of spirits
- The products being offered as tastings must be purchased from the restaurant and the distillery licensee or their employees must be present during the tasting.
- The distillery may not spend more than \$100 (exclusive of tax and gratuities') at any one establishment during any 24-hour period. Gratuities may not exceed 20 percent of the cost of alcoholic beverages.
- Distillery licensee shall keep complete records of each tasting which shall include the date and place of each tasting and amount spent.

Distillers may engage the services of a third party representative to conduct tasting provided that the representative has obtained a "Solicitor Tasting Permit." The form for this permit can be found and downloaded at <https://www.abc.virginia.gov/library/licenses/pdfs/solicitortasting.pdf>

Distillery Store Sales to Mixed Beverage Retail Licensees

Distillery stores may sell their products to mixed beverage retail licensees provided the following guidelines and procedures are followed:

- The mixed beverage licensee is responsible for providing the distillery store with a copy of the mixed beverage license that includes the licensee number and any other information needed to verify the validity of the license. If there is any question regarding the validity of a mixed beverage retail license please contact your enforcement agent prior to making any sales.
- Sale of miniatures (50mls) is prohibited to mixed beverage licensees except for motels, hotels, common carriers and golf courses as associated with a resort complex.
- Mixed beverage licensee customers may not purchase value added product packages for use in their place of business. Value Added Products are items of value that are included in a unique packaging of a regularly listed product. Common examples of value added products are glassware, flasks, T-shirts, jiggers, mixers, etc.
- Mixed beverage licensees may purchase co-pack items so long as no additional item of value is contained in the co-pack. Co-packs are two bottles of distilled spirits which are offered at a reduced price when purchased as one sales unit. The price of the combined items must exceed the regular listed price of the more expensive item in the co-pack. All items contained in a co-pack must be regularly listed items and the co-pack must be listed and approved for sale by Virginia ABC with a unique MIPS product code.
- Licensee orders may be picked up by persons under twenty-one (21) years of age if **in pursuance of duties as an employee of a mixed beverage licensee.**
- A representative of the licensee must sign the purchase order at the time of pickup.
- Agents of the Enforcement Division are to be allowed unrestricted access to stores for the purpose of examining the licensee files.
- Retail Mixed Beverage Licensees do not pay sales tax on purchases made in Virginia ABC stores.

ASSEMBLING THE ORDER

- All merchandise sold to Mixed Beverage Licensee customers must have a Monarch Marking Machine label affixed to the **front** of each item indicating the mixed beverage retail license number, store number and order number using a 4 digit order number. The order numbers must be maintained by the distillery store and consecutive for the store. The distillery store is responsible for acquiring Monarch Marking Machines (or a similar device) and labels.

Example stamp for Store 032, first mixed beverage licensee sale, sold to licensee #12345:

0320001
12345

Example stamp for Store 032, second mixed beverage licensee sale, sold to licensee #54321:

0320002
54321

It is not required that a Mixed Beverage Licensee label be affixed to each individual container of 50ml merchandise sold to a licensee but a label must be affixed to the case or bag that contains the merchandise.

- All value added items (add-ons) must be removed from the merchandise sold to mixed beverage licensees **prior to sale**.

WHEN THE ORDER IS PICKED UP BY THE LICENSEE AGENT:

- Print two copies of the completed Virginia ABC licensee order form. All information must be complete and accurate.
- Have the licensee agent sign the completed licensee order form in the space opposite “Received By” on both copies
- Store personnel will fill out the Transportation Section on both copies of the form when the licensee agent has accepted the merchandise.
- Retain one copy of the Licensee Order form for store records. The second is to be issued to the licensee.
- Completed licensee order forms must be maintained by the Distillery Store and available for audit for a period of no less than two years.

METHODS OF PAYMENT

- Cash
- Mixed Beverage Licensee Business Checks (Note: Virginia ABC Distillery stores are responsible for collection of any funds not received for merchandise due to returned checks. If the returned check cannot be satisfied prior to making the deposit for that sales period, the distiller is responsible for depositing the difference.)
- Certified Personal Checks or Cashier’s Checks
- Credit or MC/Visa Debit Card

REPORTING

- Sales to mixed beverage licensees must be reported under the appropriate section of the monthly sales reporting.
- The distillery store must also fill out the detail log of sales to mixed beverage licensees and submit monthly when such sales have occurred. The totals listed on this log must match the monthly sales report.

Remote Sales at Approved Events

Distilleries may sell their distilled spirits products directly to consumers at special events in the Commonwealth provided the following conditions are observed:

- The distillery must have an approved Distillery Store Agreement on file and be in good standing with Virginia ABC.
- The event where the Remote ABC Store privilege is to occur must be at a site of an event licensed by the Board and conducted for the purpose of featuring or educating the consuming public about spirits products. A Banquet Mixed Beverage Special Event license or a Manufacturer's Distilled Spirits Event license for that particular event must be on file prior to approval. *(Note: A manufacturer Distillery may obtain a Manufacturers Event License pursuant to § 4.1-215 which allows a manufacturer of distilled spirits, whether licensed in the Commonwealth or not, may obtain a banquet license for a special event as provided in subdivision A 4 of § 4.1-210 upon application to the Board, provided that such event is (1) at a place approved by the Board and (2) conducted for the purposes of featuring and educating the consuming public about the manufacturer's spirits products. Such manufacturer shall be limited to no more than four banquet licenses for such special events per year. Where the event occurs on no more than three consecutive days, a manufacturer need only obtain one such license for the event. Such banquet license shall authorize the manufacturer to give samples of spirits to any person to whom alcoholic beverages may be lawfully sold in designated areas at the special event, provided that (A) no single sample shall exceed one-half ounce per spirits product offered, unless served as a mixed beverage, in which case a single sample may contain up to one and one-half ounces of spirits, and (B) no more than three ounces of spirits may be offered to any patron. Nothing in this paragraph shall prohibit such manufacturer from serving such samples as part of a mixed beverage.)*
- The distiller must complete a Distillery Remote Request and receive approval prior to the remote sale of distilled spirits. Request for Remote ABC Store Privilege made to the Virginia ABC Bureau of Law Enforcement must be made through the ABC Website. Requests submitted less than seven working days in advance may not be processed and approved prior to the event date. Distillery Remote Request: <https://www.abc.virginia.gov/licenses/spirits-industry-resources/distillery-remote-request>
- The distiller must keep separate sales records of what is sold in their distillery store and each off premise event they attend. These are to be transmitted to the department upon request.
- The distiller is responsible for collecting and remitting sales taxes at the correct rate for the locality in which the sale took place. Sales assessed a tax rate which differs from that of the physical distillery store must be reported separately to Virginia ABC on the monthly sales and staging report.
- Total ending inventory for each product sold regardless of the location where it is sold must not exceed the established staging limit of 125% of sales for a given month. When month ending inventories exceed this maximum level, no further staging can occur until inventory levels are reduced to a satisfactory level.
- Spirits purchased at any special event associated with the remote store privilege shall be for off-premise consumption only.
- Sales to mixed beverage licensees at remote sales locations are permitted provided all procedures in the previous section regarding sales to mixed beverage licensees are followed.
- A Distillery that is hosting an event where a third party has obtained a Mixed Beverage Special event license for the purpose of featuring and educating the consuming public about spirits products and who has ceased operation of their Virginia ABC store for a licensed event taking place within the area of the Virginia ABC store could not also qualify for the privilege of a remote location to sell spirits at retail in the same store area. However, that Distillery may obtain a remote license to sell at retail at other events provided their Virginia ABC store operation had ceased. This would include the ability to operate a remote location on the same addressed property of the event taking place in the Virginia ABC store area, but could not be inside the physical store area as the sales operations in the designated store area must cease and may not resume until one hour after the event. *(Note: this provision only applies to events taking place within the established Virginia ABC store area.)*



Contact Information

For inquiries regarding Distillery store general information, sales reporting and commission, please contact:

Greg Ackerman — *Financial Management Specialist*
(804) 298-3769
Gregory.Ackerman@abc.virginia.gov

For inquiries regarding employee training and alcohol education information, please contact:

Robert Jackson — *ABC Education Coordinator*
(804) 213- 4571
Robert.Jackson@abc.virginia.gov

Information on our educational programs RSVP (Responsible Seller’s & Servers: Virginia’s Program) and MART (Managers’ Alcohol Responsibility Training) can be found at: <https://www.abc.virginia.gov/licenses/training>

For inquiries regarding license compliance and distillery operations, please contact your assigned compliance senior special agent. The contact information for members of our Compliance Unit and the localities they serve can be found at: <https://www.abc.virginia.gov/enforcement/bureau-of-law-enforcement/compliance-unit>

If you are unable to locate you assigned Compliance Agent, please contact:

SAC Marc Haalman — *ABC Compliance Special Agent in Charge*
(804) 213-4626/4632
Marc.Haalman@abc.virginia.gov

For information regarding having products listed for sale in ABC stores, bailment and marketing with ABC, please contact:

Maria Jeter — *Marketing Specialist*
(804) 213-4523
Maria.Jeter@abc.virginia.gov or marketing@abc.virginia.gov

For inquiries regarding distillery store audits, please contact:

Ghia Smith — *Internal Audit Specialist*
(804) 213-4459
Ghia.Smith@abc.virginia.gov