

R82-2-308. Consignment Inventory Package Agencies.

- (1) This rule is made pursuant to section 32B-2-202, which authorizes the Commission to make rules governing package agencies.
- (2) Purpose. At the discretion of the Department, liquor may be provided by the Department to a Type 2 and Type 3 package agency for sale on consignment pursuant to subsection 32B-2-605(5). This rule provides the procedures for such consignment sales.
- (3) Application of the Rule.
 - (a) Consignment Inventory.
 - (i) The initial amount of consignment inventory furnished to the package agency shall be established by the Department's audit manager.
 - (ii) The consignment inventory amount shall be posted to the Department's accounting system as "Consignment Inventory Account."
 - (iii) The consignment inventory amount shall be stated in the Department's contract with the package agency.
 - (iv) Any adjustment to the consignment inventory amount shall be done through the use of a transfer, shipment, or payment of money. A copy of the transfer, adjusting shipment, or evidence of payment shall be included in the package agency's file.
 - (v) The consignment inventory amount may be adjusted from time to time based on the package agency's monthly average sales. Any adjustment shall be made by a properly executed amendment to the Department's contract with the package agency. In the event the 12 month average sales is lower than the Package Agency's current consignment amount the Department may lower the consignment amount. If the consignment amount is to be reduced the Package Agency must pay for the difference through cash payment or returned inventory. Any adjustment to the consignment amount will be handled through a contract amendment or a new contract.
 - (b) Payments.
 - (i) All agencies receiving shipments or transfers are required to have an ACH (Automated Clearing House) payment system set up with the Department.
 - (ii) Statements showing all unpaid debts and applied credits will be generated and emailed to the agencies on each Thursday after credit card payments have been posted that Wednesday to reflect Credit Card payments received. Ordered liquor inventory will now reflect 30 days to pay from the order date, instead of being due upon order. This generated weekly statement will reflect payments received against the oldest outstanding invoices first. Payments received over and above those previous statement balances will be credited chronologically against ordered inventory due after previous statements. It is the agent's responsibility to review the statement and contact the Department with any discrepancies prior to the payment date.
 - (ii) ~~Statements showing all unpaid debts and unapplied credits will be generated and mailed to the agencies on the 20th of the next available working day of each month. It is the agent's responsibility to review the statement and contact the Department with any discrepancies prior to the payment due to due date of payment.~~
 - (iii) Agents may, in advance of the Department drawing payments via ACH, remit payment to the Department on balances due from outstanding invoices which have not received enough credit card payments or other payments to cover those outstanding balances. Payment will be for the statement total. If no other payment has been received by the due date, payment will be automatically be drawn through the ACH process on the due date unless prior arrangements have been made between the agent and the Department.
 - (iii) ~~Agents will remit payment to the Department on the 19th or next available working day of the following month after the last statement was generated. Payment will be for the statement total. Payment will be automatically drawn through the ACH process on the due date unless prior arrangements have been made between the agent and the Department.~~
 - (iv) Insufficient funds, returned checks, and unpaid balances from a previous statement are all past due. The Department may assess the legal rate of interest on the amount owed and the package agency may be referred to the Commission for possible termination of the contract and closure.
 - (v) All delivery discrepancies shall be resolved through the use of the LQ9 form. Debits or credits shall be issued based on proper completion and submission of the LQ9 form to the Department. Payment shall be made in accordance with the package agency's statement by the due date whether or not any discrepancies have been resolved.
 - (c) Transfers.
 - (i) Transfers, up or down, shall be adjusted to the package agency's ~~next~~ payment due to the Department.
 - (ii) Transfers in to the Package Agency will add to the amount owed to the Department. ~~on the next check due to the Department.~~
 - (iii) Transfers out will subtract from the amount owed to the Department on the next check due to the Department.
 - (d) Credit and Debit Card Credits.

- (i) Credit for credit and debit cards processed at the package agency will be posted to the package agency's statement.
 - (ii) It is the agent's responsibility to mail in their settlement report and individual receipts to the Department in order to receive credit.
- (e) Audits.
- ~~(i) Any package agency that is on a consignment contract shall keep a daily log of sales.~~
 - (ii) The Department auditing division shall audit the package agency at least twice each fiscal year.
 - (iii) The package agency is subject to a Department audit at any time.