

JENNIFER M. GRANHOLM
GOVERNOR



STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
DAVID C. HOLLISTER, DIRECTOR

NIDA R. SAMONA
CHAIRPERSON

Bulletin 3086-17

Date: June 21, 2005
To: All Authorized Distribution Agents
From: Michigan Liquor Control Commission
Subject: Commission Business Operating Procedure – State Owned Inventory

At its administrative meeting on June 21, 2005 the Michigan Liquor Control Commission adopted the attached amended and restated Business Operating Procedure, which amends the September 26, 2000 Commission Order which was adopted as a Business Operating Procedure on March 13, 2002 regarding control of State Owned Inventory.

Please see that copies of this Bulletin, the June 21, 2005 Business Operating Procedure, the instructions for recoding state owned merchandise, and Form LC-3108 (Request to Recode State Owned Merchandise) are distributed to the appropriate people in your organizations.

If you have any questions please contact Jeff Jones at 517.322.1227 or email at jjones@michigan.gov.

Attachments

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
LIQUOR CONTROL COMMISSION

General Wine & Liquor Company, Inc.
373 Victor Avenue
Highland Park, MI 48203

NWS Michigan, Inc.
17550 Allen Road
Brownstown, MI 48192

J. Lewis Cooper Co.
Trans-Con, Inc.
3101 Gulley Rd., Suite I
Dearborn, MI 48124-4405

Chinese Import & Export Co.
3508 Bristol
Troy, MI 48083

Henry A. Fox Sales Company
4494 36th Street SE
Kentwood, MI 49512

Fabiano Bros., Inc.
1219 N. Mission, PO Box 469
Mt. Pleasant, MI 48804

ADMINISTRATIVE ORDER

In accordance with the provisions of R 436.1802(14), the September 19, 2000 Commission Order regarding state-owned inventory which was adopted as a Business Operating Procedure on March 13, 2002, be amended and that the following policy regarding state owned inventory be approved and be restated and adopted as a Business Operating Procedure:

It is the intent of the Michigan Liquor Control Commission to have complete authority over state-owned spirits inventory at all times. Authorized Distribution Agents (ADA) must inform the MLCC of any corrections or changes that need to be made to the state's inventory records.

ADAs shall not accept supplier instructions for disposition of State of Michigan-owned spirits merchandise. The Michigan Liquor Control Commission specifically prohibits the shipping of State of Michigan-owned spirits inventory out of ADA Michigan warehouses without its express permission. Any request by a supplier to have State-owned merchandise shipped out of the ADA warehouse must be forwarded to the Financial Management Division of the Commission.

The Michigan Liquor Control Commission specifically prohibits the selling of one spirits code as a different spirits code. All items must be sold as the same code under which they were quoted and purchased unless the MLCC has given its express permission for such a sale on a form approved by the Commission.

Nida R. Samona, Chairperson

Pat Gagliardi, Commissioner

Judith M. Allen, Commissioner

June 21, 2005

June 21, 2005

Instructions for Recoding State Owned

Merchandise

Periodically, for customary and usual commercial reasons, Liquor Suppliers request Authorized Distribution Agents (ADAs) to sell value added merchandise or other products under a different code number. The Michigan Liquor Control Commission (MLCC) is not concerned with this as long as State Owned merchandise is not involved. If the State owns some or all of the merchandise, however, the Commission has ordered that the Business Operating Procedure of June 21, 2005 be adhered to.

The process starts with the decision being made by the Supplier that existing stock of an item should be sold under a different code number, such as a value added product sold as a regular stock item.

Per Commission Order of September 26, 2000, adopted as a Business Operating Procedure on March 13, 2002, and amended and restated on June 21, 2005, all spirit codes must be sold at the same code under which they were quoted and purchased unless the MLCC has approved otherwise. Accordingly, the ADA and/or Supplier must request in writing permission to switch code numbers on any State Owned merchandise. This is to be done by submitting form LC-3108 entitled "Request to Recode State Owned Merchandise" to the MLCC Financial Management Division stating the reason for the change, the code number to be changed, the code to which it is to be switched, and the brand and descriptions.

Financial Management Division staff will receive the request and verify the following:

Code numbers of the products involved.

That the prices of the two items are the same or that the "new code" product is higher priced.

The date upon which the ADA wants to start selling the product under the new code number.

If all of the information is correct, staff will approve the request and notify the ADA that they can begin selling the merchandise under the new code number effective upon their requested date.

If the request is denied, staff will notify the ADA that the merchandise must continue to be sold under the old code number.

Attached is a request form LC-3108 for your use in this process. Please feel free to photocopy it as needed.

Alternatively, this form is available as a Microsoft Word document on the MLCC Web page at

<http://www.michigan.gov/dleg> > Liquor Control > Forms > Financial Management > Request to Recode Mdse.

This Word document can be completed and sent as an email attachment to cmuell@michigan.gov, with a copy to Impacea@michigan.gov.

Hard copy requests can be faxed to 517.322.6943 or mailed to

Michigan Liquor Control Commission
Financial Management Division
7150 Harris Drive
P.O. Box 30005
Lansing, Mi. 488909
Attn: Data Management

If you have any questions please contact the Financial Management Division Helpline at 1.800.701.0513.

Department of Labor & Economic Growth
Liquor Control Commission

Request to Recode State Owned Merchandise

ADA Name _____

ADA Number _____

<u>Old Code #</u>	<u>Description</u>	<u>Notes</u>	<u>New Code #</u>	<u>Description</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Reason for Changes: _____

Requested Effective Date _____

Signed _____ Title _____ Date _____

MLCC Use Only:

Approved Y____ N____ Date _____

Date ADA Notified _____

LC-3108 (Rev. 06/05)

The Department of Labor & Economic Growth will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.