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**LIQUOR CONTROL COMMISSION**  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
STANLEY "SKIP" PRUSS, DIRECTOR

## Bulletin 3141-17

DATE: June 12, 2009

TO: Authorized Distribution Agents  
Executive Staff

FROM: Michigan Liquor Control Commission

SUBJECT: Procedure on Shortages and Overages

Pursuant to the Business Operating Procedure dated May 19, 2009, the following is the Michigan Liquor Control Commission's procedure regarding shortages and overages:

### Cash Shortages – Daily Recap

A cash shortage reported on the combined Daily Recap is defined as the deficit between the amount of cash that the ADA should have collected (according to the details on the Daily Recap) and the cash the ADA actually collected and deposited, according to the deposit slip. Specific cash shortages which can be shown to have a direct offsetting relationship with specific reported cash overages will not be charged to the ADA, but may be offset against the specific reported cash overages. The ADA will be given 90 days to resolve any cash shortages. If, after 90 days, cash shortages remain unresolved, they become the sole responsibility of the ADA and the ADA will be billed, on a monthly basis, for all cash shortages incurred during a month. An ADA will be allowed a variance of \$10.00 per day for cash shortages. This allowance may be reduced or eliminated at the sole discretion of the MLCC if an ADA develops a pattern of shortages.

### Cash Overages – Daily Recap

A cash overage reported on the combined Daily Recap is defined as the surplus between the amount of cash that the ADA should have collected (according to the details on the Daily Recap) and the cash the ADA actually collected and deposited, according to the deposit slip. Any cash overages which can be shown to have a direct offsetting relationship with specific reported cash shortages may be offset with the specific reported cash shortages. The ADA will be given 90 days to resolve any cash overages. If, after 90 days, cash overages remain unsolved, they become the property of the State of Michigan. If a pattern develops by an ADA which indicates to the Commission that cash overages are not being remitted, the Commission, at its discretion, may take any action it deems appropriate.

*Note: Occasionally, an ADA will submit invoices to the MLCC in a subsequent week and in a different pricing quarter than the invoices should have been submitted to the MLCC. Because the MLCC computes sales at the current product prices, the sales that the MLCC computes will be different than the sales reported on the Daily Recap. The Detail Gross Sales, Total Gross Sales, Discount and Tax lines on the Daily Recap must be adjusted for the difference in the MLCC calculated invoice prices and the original invoices prices.*

DELEG is an equal opportunity employer/program.  
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

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*The licensee was charged and paid the correct amount for his order as his invoice was calculated at the product prices effective for that invoice date. The error is the fault of the ADA's processing procedure. Therefore, any cash overage or shortage resulting from the adjustments made to the Daily Recap will be reflected in the amount on the line at the bottom of the Daily Recap: Differences (cash over/short). It will be treated as any other cash overage or cash shortage would be treated.*

Deposit Shortages:

Deposit shortages are reported to the MLCC Financial Management Division by the Department of Treasury when Treasury is notified of errors by the State's bank. Deposit shortages may be offset with directly corresponding cash deposit overages from the Daily Recap. They may also be offset with bank correction memos (credit memos). An ADA will be given 90 days to resolve any deposit shortages. After 90 days, any unresolved deposit shortages become the sole responsibility of the ADA. The ADA will be billed for an entire month's deposit shortages. An ADA will be allowed a variance of \$10.00 per day for deposit shortages. This allowance may be reduced or eliminated at the sole discretion of the MLCC if an ADA develops a pattern of deposit shortages.

Deposit Overages:

Deposit overages are reported to the MLCC Financial Management Division by the Department of Treasury when Treasury is notified of errors by the State's bank. Deposit overages may be offset with directly corresponding cash deposit shortages from the Daily Recap. They may also be offset with bank correction memos (debit memos). An ADA should not assume that a deposit overage found by the State's bank belongs to it and should not automatically deduct it from a future deposit of a day's liquor sales. If, after researching the deposit overage, an ADA can prove the deposit overage found by the bank clearly belongs to it, then the MLCC will allow the deposit overage to be deducted from a future deposit of a day's liquor sales. An ADA will be given 90 days to resolve any deposit overages. After 90 days, any unresolved deposit overages become the property of the State of Michigan.

If you have any questions regarding this Bulletin, please contact Pam Hamilton in the Financial Management Division at 517-322-1379.