# BOOKS AND RECORDS FOR HOTELS AND RESTAURANTS INFO SESSION



# **PRESENTER**





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# **AGENDA**



- ABRA Overview
- Alcohol Laws and Regulations
- Quarterly Statement Filing Instructions
- Audits
- Penalties





The Alcoholic Beverage Regulation Administration (ABRA) is an independent agency within DC Government charged with supporting the public's health, safety and welfare through the control and regulation of the sale and distribution of alcoholic beverages.

ABRA operates under the authority of the Alcoholic Beverage Control (ABC) Board.

Director Fred Moosally has served as the Director since 2009. Prior to leading ABRA, Director Moosally helmed the agency's Legal Division as the General Counsel for seven years.

# ALCOHOL LAWS AND REGULATIONS

KEY DEFINITIONS | DCMR 23-1204/1207/1208



## **KEY DEFINITIONS**



- Alcohol | Beer, wine, spirits, or mixed drinks.
- Food | Any consumable liquid or solid substance—except for alcoholic beverages and any non-alcoholic liquids or solid substances used in the creation of an alcoholic beverage.
- Gross Annual Receipts | The total amount of money received for the sale
  of food and alcoholic beverages, not including taxes and gratuities.
- Gross Sales | The cumulative total of food and alcoholic beverage sales.
- Miscellaneous Sales | Any sales except for food and alcoholic beverages such as cover charges and entertainment fees.
- Per Occupant | Total food sales divided per seat.

## LAWS AND REGULATIONS



Licensees must keep all original records for the purchase, sale, and delivery of all alcohol, except beer, onsite, and make them available to ABRA upon request. Records may be maintained either physically or electronically (i.e. a Point of Sale System - POS).

#### Records must include:

- Quantity in gallons of each kind of beverage purchased.
- Date of each purchase.
- Name, business address, and license number of the vendor.
- Itemized receipt and total price.
- Brand, type, and quantity (in gallons) of all beverages, except beer, received –
  including those not purchased.

All records, including importation permits after cancellation, are to be maintained for three (3) years from date of delivery.





### Licensees may:

- Petition the ABC Board for permission to store books and records at an alternate location within DC.
  - If approved, records stored offsite must be provided to ABRA within three (3) business days upon request.
- Maintain originals outside of DC but copies must be maintained at the establishment or ABC Board-approved site.

# LAWS AND REGULATIONS



Alcohol-licensed hotels and restaurants are required to:

- 1. File quarterly statements detailing the previous quarter's:
  - Gross sales receipts for food and alcohol, <u>AND</u>
  - Total expenses for the purchase of food and alcohol.
- 2. Meet annual gross food and alcohol sales of:
  - \$2,000 per seat listed on the Certificate of Occupancy, <u>OR</u>
     45 percent of annual gross receipts—if a Class C license.
  - \$1,500 per seat listed on the Certificate of Occupancy, <u>OR</u> 45 percent of annual gross receipts—if a Class D license.

## LAWS AND REGULATIONS



- Statements are due annually on:
  - April 30 | January–March (Q1)
  - July 30 | April–June (Q2)
  - October 30 | July–September (Q3)
  - January 30 | October–December (Q4)
- Due dates falling on weekends or District Government or federal holidays carryover to the next business day.

# FILING INSTRUCTIONS

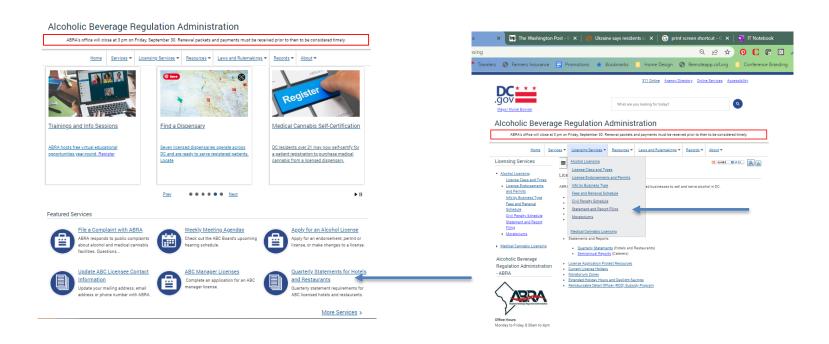
LOCATION | REQUIRED INFO | TIPS







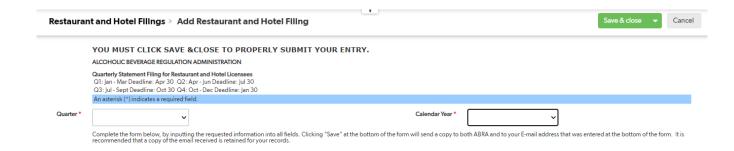
• All statements must be submitted online. Statements received by mail, fax, or placed in our secure drop box will be rejected without notification.







#### Section 1



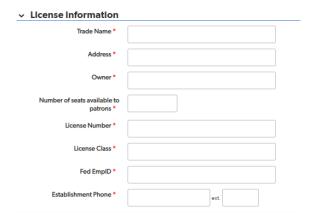
#### Section 2



# FILING INSTRUCTIONS



#### Section 3



#### Section 4

∨ Sales	
Sales of food *	\$
Sales of alcoholic beverages *	\$
Total sales of food and alcoholic beverages	\$0
Amount of miscellaneous sales *	\$
Total gross sales	\$0
Percentage of alcoholic beverage sales	
Percentage of food sales	
Dollar amount of food sold per seat	

#### Section 5

~	Expenditures	
	Amount of expenditures for food	\$
	Amount of expenditures for alcoholic beverages *	\$
	Total expenditures of food and alcoholic beverages	\$0
	Amount of expenditures for miscellaneous items *	\$
	TOTAL GROSS EXPENDITURES	\$0
	Percentage of food expenditures	
	Percentages of alcoholic beverage expenditures	

## **TIPS**



- Before you start, gather the establishment's:
  - Seating capacity, included on the Certificate of Occupancy.
  - ABC license number.
  - ABC license class determination—C or D.
  - Employee Identification Number (EIN).
- Enter the Trade Name EXACTLY as it appears on the ABC license.
  - Do not abbreviate or leave out words, use a nickname, etc.
- Confirm all entered data is accurate.
  - There are 2,000+ ABC licensees in DC, many with similar names and addresses.
- You must select "Save and Close" to submit.
- Confirm receipt of an email acknowledgement from ABRA.

# **AUDITS**

SELECTION CRITERIA | PREPARATION





# **AUDIT SELECTION CRITERIA**

- Ensure licensees are meeting food requirements
- Late or missing quarterly statements
- Ordered by the ABC Board
- Frequent non-compliance
- Random



## **AUDIT PREPARATION**

- Organize guest checks by date, week, month, and quarter for the full calendar year.
- Prepare daily, weekly, and monthly summaries of food and alcoholic sales/receipts tallied from guest checks.
- Confirm that your books and records can validate the amounts included in the submitted quarterly statements for the full calendar year.
- All requested documentation must be physically provided or made available through the establishment's Point of Sale (POS).

# **PENALTIES**

RECORD STORAGE | STATEMENT FILING



## **PENALTIES**



Failure to comply with the books and records requirement is a Primary-Tier Violation and may be subject to penalties.

The fine schedule—following a mandatory warning—is as follows:

- First | \$1,000-\$2,000
- Second within two (2) years | \$2,000-\$4,000
- Third within three (3) years | \$4,000-\$6,000
- Fourth within four years | License suspended for up to 30 consecutive days and fined \$30,000+, or license revocation
- Fifth within four (4) years | License revocation

## **PENALTIES**



Failure to file a timely quarterly statement is a Secondary Tier Violation and may be subject to penalties.

The fine schedule—following a mandatory warning—is as follows:

- First | \$250-\$500
- Second within two (2) years | \$500-\$750
- Third within three (3) years | \$750-\$1,000
- Fourth within four (4) years | \$1,000-\$2,000
- Fifth within four (4) years | Fines assessed according to the Primary-Tier
   Violation schedule

# THANK YOU

