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## Distributor FAQ

- [Delivery of product](#)
- [Returning product](#)
- [Point-of-sale items](#)
- [Allowed services](#)
- [Prohibited services](#)
- [Supplier appointment](#)

### Delivery of product

#### **Can I extend credit on alcohol?**

No, payment must be received at the time of delivery.

#### **Can I leave product and come back later for a check or have the business mail it?**

No, a retail licensee must pay cash for beer and wine prior to or at the time of delivery.

The following forms of payment are recognized as cash payment:

- Cash
- Checks
- Electronic funds transfer (EFT)
- Prepaid accounts
- Credit/debit cards

#### **What if a check, EFT transaction, or credit/debit card transaction is reported as having nonsufficient funds (NSF)?**

Any transaction reported as having nonsufficient funds (NSF) will be considered an extension of credit, in violation of [RCW 66.28.010\(1\)](#).

If a transaction is reported as NSF:

- The retailer must pay the full amount of the transaction to the industry member by 3 p.m. on the first business day following receipt of the NSF report.
- If the retailer does not make payment by this time, the industry member must report the NSF transaction to their local WSLCB enforcement office by 5 p.m. the next business day following receipt of the NSF report.
- The enforcement office will contact the retailer, who will have until 3 p.m. the next business day to pay the NSF transaction. If the retailer does not pay the industry member by this time, the WSLCB will issue an administrative violation notice to the retailer.
- Until the NSF transaction is paid:
  - The industry member who received the NSF transaction will not deliver any beer or wine to the retailer



- It is the responsibility of the retailer to not receive any beer or wine from any industry member

## Returning product

### Can I pick up wine from retailers?

Yes, but only under the following conditions:

- **Over-aged wine**
  - Wine that is not in suitable condition for sale may be returned to you provided it is immediately replaced with identical quantity, type and brand of wine
  - If the brand of wine is not presently in the wine distributor's stock and is not available in the immediate future, a cash refund may be made to the retailer upon approval by the WSLCB
- **Delivery error**
  - If wine that was delivered was not what was ordered, it may either be replaced with ordered product or a cash refund may be made upon prior WSLCB approval
  - The error must be corrected within eight days of the original delivery date
- **Discontinued business**
  - The retailer must be going out of business of selling wine at retail, and discontinuing the wine liquor license at that location
  - Wine may be returned and a cash refund may be made upon prior WSLCB approval
  - Verification in writing by the WSLCB must be received prior to any product being picked up

### Can I pick up beer from retailers?

Yes, but only under the following conditions:

- **Keg beer:**
  - The beer is defective (unfit for human consumption) or in a defective keg
  - The defective beer or container must be reported within 10 days of discovery to the distributor
- **Packaged beer:**
  - The beer is not in suitable condition for sale and/or over-aged
  - It must be immediately replaced with an identical quantity, type and brand of beer
  - If the particular brand isn't available in the immediate future, a cash refund may be made to the retailer
- **Delivery error** (same as wine – see above)
- **Discontinued business** (same as wine – see above)

### When is the return of beer or wine prohibited?

Beer or wine may not be returned to distributors in the following cases:

The retailer:



- Damaged the product
- No longer likes the product
- Ordered too much
- Doesn't want the product that the sales representative ordered that has been delivered and paid for
- Changed locations
- The retailer's customer:
- Damaged product
- Ordered the product but no longer wants it
- An error in delivery was made, but it was not corrected within eight days of the delivery date

## **Point-of-sale items**

### **What point-of-sale items can manufacturers, importers and distributors furnish to retailers?**

Brand advertisement: Brand signs and point-of-sale material cannot have value to the retailer except as brand advertisement. The brand signs and point-of-sale material are the property and responsibility of the manufacturer, importer or distributor.

Giant inflatables (inflated beer cans, bottles, and banners) may be provided for display purposes inside the licensed premises if the following conditions are met:

Novelty items are not provided by manufacturers, importers, or distributors to customers in conjunction with the display;

Inflatables are not targeted or appeal principally to youth; and

The display will be removed if objected to by local officials, or if the WSLCB finds it contrary to the public interest.

People in costumes representing beer, wine, or liquor manufacturers are allowed if they meet the following terms:

The person in costume:

- May socialize with costumers
- May not conduct work activities the retail employees would normally conduct
- May not provide novelty items or drinks to customers
- Must comply with the lewd conduct regulations (WAC 314-11-050);
- May not be targeted or appeal principally to youth
- The WSLCB may prohibit the use of people in costumes if the use is contrary to the public interest.
- Functional items not allowed: Signs that have a functional value, such as those that provide illumination for cash registers, pool tables, etc., are not allowed.

## **Allowed services**

### **What services can a distributor provide at a licensed premises?**

A manufacturer, distributor, importer, or his/her licensed agent may perform the following services for a retailer:

- Build, rotate, and restock displays, using filled cases, bottles or cans of his/her brands only, from



stock or inventory owned by the retailer

- Rotate, rearrange or replenish bottles or cans of his/her brands only on shelves or in the refrigerators. He/she is prohibited from rearranging or moving displays in such a manner as to cover up, hide or reduce the space or display of the products of another manufacturer, distributor or importer
- Move or handle products of any other manufacturer, importer or distributor on the premises of any retail licensee if reasonable notice (24 hours) is given to other interested manufacturers, distributors or their agents and such activity occurs during normal business hours or upon hours that are mutually agreed
- Provide price cards and price goods of his/her own brands
- Replace outdated canned or bottled beer or wine with identical like product
- Provide point-of-sale advertising material and brand signs. Signs can state product name/logo, package and price
- Provide banners that advertise the liquor brand identification, size and price. Customized banners must be sold to retailers

## **Prohibited services**

### **What services are prohibited?**

Distributors may not advance money's worth to retailers.

Retail licensees and their employees are prohibited from, directly or indirectly, soliciting, receiving from, or giving or offering to any manufacturer, distributor or importer, or his employee, any gifts, discounts, loans of money, premiums, rebates, free liquor of any kind, and treats or services of any nature except such services that are authorized by regulation.

Retailers may not request the following from manufacturers, distributors, or importers:

- Free product or cash
- Free non-alcohol beverage fills or free signage/banners in exchange for new alcohol beverage product placement or product displays
- Pick up of damaged or broken product
- Free repacking of materials such as six pack holders and plastic hi-cone rings
- Pick up of products that do not sell
- Pick up of discontinued products
- Request that distributors return later to receive payment for beer or wine
- Trade out product that is discontinued by the retailer
- Trade out flavors or varietals for other types
- Repacking of products
- Clean or repair shelves or coolers
- Rent or loan of equipment
- Move someone else's products without proper notification
- Pick up or replacement of product that was damaged by a retailer's employee or a retailer's customer

It is illegal for retailers to request that beer and/or wine distributors:

- Pay for space in cold boxes, shelves, or floor displays
- Give free tickets to events or tradeshow for friends and/or family members that are not involved in the retailer's business
- Give free product for annual golf tournaments or picnics
- Make deals on soda and water in exchange for shelf space
- Give quantity discounts



- Extend credit on beer or wine

## **Supplier appointment**

### **Can a supplier appoint more than one distributor?**

Yes, two wholesale distributors can be appointed to sell the same brands by a supplier. This is called dualing when two distributors sell in the same county or to the same retail licensee. In most instances, a written contract/appointment letter is usually provided to the WSLCB which designates the counties or specific brands that each wholesaler will represent in each market area.

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