

Durham County ABC Board

Operational Audit – Special Order Process and Administrative Policy Procedures



Report No. 2019-01
March 2019

Alcoholic Beverage Control Commission
400 East Tryon Road, Raleigh, NC 27610
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ABC
COMMISSION
NORTH CAROLINA

Durham County ABC Board

During the period of audit fieldwork, February 2019 to May 2019, Norwood "Andy" Miller served as Board Chairman and the following individuals serve as Members of the Board:

Lawrence Daye, 8-22-2016 to 7-31-2019

Ryan Urquhart, 7-24-2018 to 6-30-2021

Donald Lebkes, 6-26-2017 to 5-31-2020

Beverly Thorpe, 7-24-2018 to 6-30-2021

Key administrative personnel include:

Rufus Sales, General Manager

Natausha Pettiford, Chief of ABC Law Enforcement

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SUMMARY

This operational audit of the Durham County ABC Board was conducted and focused on selected processes and administrative activities. Our operational audit identified the following:

Finding 1: Communication between the ABC Board, mixed beverage and retail customers about the special order process could be improved.

Finding 2: ABC Board Executive Session minutes reflect topics that are a matter of public record and do not fall under the exceptions allowed for closed session.

Finding 3: Human resource issues pertaining to applicable federal laws, ABC Board policy approval, and policy implementation are not followed as implied.

BACKGROUND

The 1937 Act authorized Durham County to hold an election for the sale of spirituous liquor. The election was held on April 28, 1937 and passed 7,784 to 3,308. The first retail sale was on June 21, 1937. A county-wide vote was held for the sale of mixed beverages on January 12, 1979 and passed 12,324 to 6,083. The date of the first mixed beverage sale was February 2, 1979.

Upon election of an ABC store, the Durham County Board of Commissioners was authorized to create an ABC Board consisting of a chairman and two members to serve for three-year terms. Additional legislation, House Bill 906, authorized the Durham County Board of Commissioners to appoint an additional two members increasing the board size from three to five members serving for three-year staggered terms.

The ABC Board operates eight retail outlets and one centrally located mixed beverage outlet. All mixed beverage permit holders are serviced out of the mixed beverage outlet.

This operational audit focused on selected process and administrative activities. The results of our operational audit of the Durham County ABC Board for the current fiscal year will be presented to the ABC Board in detail.

FINDINGS AND RECOMMENDATIONS

Finding 1: Communication between the ABC Board, mixed beverage and retail customers about the special order process could be improved.

The NC ABC Commission¹ requires spirituous liquor products to be approved for purchase from the Special Orders Price List as follows:

- 1. When requested by a customer, retail and/or mixed beverage permit holder, a local board may place an order with the Commission for any product on the Special Orders Price List. All customer orders shall be prepaid by the customer prior to the order being placed with the Commission. Any order must meet the minimum order quantity requirements set by the Commission.*
- 2. Upon receipt of the special order from the local board, the Commission shall place the order with the vendor for shipment to the State ABC warehouse for delivery to the local board by the State ABC warehouse with the next regularly scheduled shipment to the local board.*
- 3. After completing the special order transaction with the customer, the local board shall report the sale of merchandise sold pursuant to this Rule on its next monthly report to the Commission.*

A standard estimated time frame is between 6 to 8 weeks for delivery. The NC ABC Commission recommends that boards contact the Commission if the order has not shipped or been received in that time frame. The supplier may send the Commission a confirmation of receipt of an order but usually does not provide an expected delivery date. If the product is not available, upon notification from the supplier the NC ABC Commission will cancel the order and notify the ABC Board. The order within the Commission computer system will have additional details of order status.

The Durham County ABC Board's practice is to collect special order requests from customers in two ways. Retail customers are to request special orders through ABC retail outlets. Customers are to prepay for a whole case in order for the order be processed. Once payment is received, the outlets are to submit requests as part of a regular retail order to the Durham ABC Board warehouse. *Note: A detailed written procedure on the special order process requested for retail store customers will be located in the Exhibit section of the report.*

Mixed beverage permit holders are to request special orders from the mixed beverage outlet only and follow the same guidelines as above. Mixed beverage permittees, specifically, have expressed concerns to the NC ABC Commission on the payment collection and processing methods used. The concern is not with the collection payment but of processing payments before the product has been delivered. Oftentimes, the product never arrives to the permittee as a result of the order cancellation from the supplier or the ABC Board not placing the order initially. The ABC Board will refund the permittee if the product is unavailable or cancelled.

Although the ABC Board followed the specified guidelines, the audit identified the following:

- The ABC Board accepted payments from customers as required. However, the ABC Board processed the payments immediately rather than waiting for the product to be received.

¹ Rule 15A .1403 Special Orders

- Communication between staff and customers has been minimal on the ordering and the receiving process. However, the ABC Board has since developed a system to implement tracking of special orders. *Note: A detailed written procedure on special orders requested by mixed beverage customers will be located in the Exhibit section of the report.* Steps taken to improve this process are as follows:
 - Send confirmation via email to the permittee once an order has been submitted to the NC ABC Commission
 - Communicate with the permittee of any status changes to the order
 - Once the order is received by the ABC Board, send notification will be sent to the permittee to arrange for pickup.

Common Practices of other ABC Boards

Each ABC Board has operational procedures that are adapted to their markets. All ABC Boards are required to follow the NC ABC Commission rule as related to the special ordering process for retail and mixed beverage customers. The rule, stated above, details the basic ordering process. Below are practices from a few ABC Boards:

ABC Board	Procedure
Triad Municipal ABC Board	1. Mixed beverage permit holders place orders on-line with the board's computer software. 2. The board notifies the mixed beverage customer of the estimated arrival and the requirement of collecting payment for the entire case cost up front. Note: The board will allow multiple mixed beverage customers to form a group and split a case if the same product is desired. In this case, the mixed beverage customers will determine who will initiate the payment to the ABC board. The central mixed beverage location will place the order with the NC ABC Commission. 3. Once order is placed, payment in the form of a check will be accepted <u>and held</u> until the order is delivered to the board's warehouse. 4. When the order is delivered, board personnel will notify the mixed beverage permittee that the order is ready to be picked up. 5. The payment is processed in the accounting system and the order is closed. 6. If the special order has been cancelled by the NC ABC Commission or the mixed beverage customer, the un-cashed check is returned.
New Hanover County ABC Board	1. Mixed beverage permit holder places an order with the board's mixed beverage office. 2. The board submits the order to the NC ABC Commission. Notification of estimated arrival is not given because there is no guarantee of a product's arrival. 3. The ABC Board allows multiple mixed beverage customers to split cases if the same product is desired.
Wake County ABC Board	1. Mixed beverage permit holder will place an order with the administrative office. 2. Once order is placed, payment in the form of a check will be accepted and processed upon receipt or within the next business day. ABC Board personnel will communicate to the mixed beverage customer

	an estimated arrival – usually six to eight weeks. 3. If the special order has been canceled by the NC ABC Commission or the mixed beverage customer, a refund will be issued.
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Product Allocation Practice

In allocating hard-to-get items such as the Blanton's, Buffalo Trace, and Angels Envy, which the Durham County ABC Board receives in limited quantities from the NC ABC Commission Warehouse, the following policy is observed. Once received, the ABC Board will divide product between retail customers and mixed beverage permittees. Mixed beverage receives a predetermined amount based upon the percentage of total mixed beverage sales.

RECOMMENDATIONS

Increase the communication levels between ABC Board and mixed beverage permittees.

Because of the increased demand for products that are not listed in the NC Liquor Quarterly and the limited availability, it is important to relay all information regarding the special order process to all permittees. As indicated above, ABC Boards differ in the way they handle the ordering and payment collection process. One of the initial concerns that prompted this audit was that the board had collected payment and deposited the money but the order either had never been received or was taking longer than the estimated time frame. In some instances the order was cancelled and that fact was not communicated to the permit holder.

Revisit the practice of collecting and depositing payment when the order/agreement has not been satisfied.

Accounting standards require boards to record payments when the order has been satisfied or fulfilled. Because of the nature of the special order process, the order has not been satisfied or the agreement has not been fulfilled until the product is in the control of the permit holder. If payment has been collected, the payment is applied to an unearned revenue account. The practice of the Durham County ABC Board is to apply the payments immediately upon receipt without finalizing the order, creating a sub-accounts receivable under the permit holder business.

As stated above, mixed beverage permit holders are concerned about the length of time between when their payment is and either product is received or a refund is made. Consider reverting back to the original method of collection, which was to not process payments until the products had been delivered.

On a regular basis, reconcile all payments still being held to open orders. Ask the NC ABC Commission for an update on all outstanding orders. Give the permittee the option of keeping the order open until product arrives or cancelling the order after a significant amount of time has passed.

Finding #2: ABC Board Executive Session minutes reflect topics that are a matter of public record and do not fall under the exceptions allowed for a closed session.

Statute² requires an appointed board to hold regularly scheduled meetings monthly accompanied by written minutes of what transpired. Public notification is required when a board plans to meet and must include the date, time, and place. “ABC boards are required to keep full and accurate minutes of all official meetings, including any closed sessions held pursuant to G.S. 143-318.11. Minutes are usually in written form but may be in the form of sound or video.”³

Closed session can only be held to permit a public body to act in the public interest. A closed session may be held only upon a motion duly made and adopted in an open meeting. The motion must also state the specific purpose set out in the statute that permits the closed session. A public body may hold a closed session and exclude the public under the following conditions:

1. To prevent disclosure of privileged or confidential information
2. To prevent the premature disclosure of an honorary degree, scholarship, prize or similar award
3. To consult with an attorney retained by the board in order to preserve attorney-client privilege
 - a. General policy cannot be discussed
 - b. Presence of attorney not dispositive
 - c. Board can instruct attorney concerning a claim
 - d. If board decides to settle a claim, must say so in open session and enter it into the official minutes
4. To instruct staff or discuss the board position relating to:
 - a. Price, terms of a contract or proposed contract to buy, or lease real property
 - b. Discuss terms of a specific employment contract
5. Personnel matters
 - a. To consider qualifications of a prospective employee
 - b. To hear or investigate a complaint or grievance
 - c. Final action regarding an appointment or discharge or removal by a public body having final authority for the appointment or discharge or removal shall be taken in an open meeting
 - d. To plan, conduct, or hear reports concerning investigations of alleged criminal misconduct.⁴

In reviewing the open session minutes, the ABC Board has a regular practice of entering into a closed session/executive meeting at every regularly scheduled board meeting with only general wording regarding the allowable basis for the closed session. The motion typically states:

“G.S. 143-318.11 (a): (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which

² G.S. 143-318.12 Public Meeting Laws

³ The Operations Manual for Local ABC Boards

⁴ G.S. 143-318.11 Closed Sessions

privilege is hereby acknowledged; (a): (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee."

This does not inform the public of the topic to be discussed in closed session, only a list of possible topics. Based on the minutes from the closed session, topics other than those allowed by statute are discussed.

- In the special meeting minutes dated January 8, 2019, the ABC Board "considered going into closed session to discuss a customer complaint and a policy matter."
- In other various dated closed sessions, minutes indicate the discussions dealt with organizational structure, law enforcement contracts, and board grievance policy changes.

This is unauthorized pursuant to G.S. 143-318.11(a)(3). In that same subparagraph, the law specifically states that attorney presence alone does not automatically create an attorney-client privilege permitted purpose.

Furthermore, Public Records law [G.S. 132-1.1(a)] limits attorney-client privilege confidential communications to matters "concerning any claim against or on behalf of the governmental body or the governmental entity for which such body acts, or concerning the prosecution, defense, settlement or litigation of any judicial action, or any administrative or other type of proceeding to which the governmental body is a party." (emphasis added) Even such litigation documentation becomes public record after three years.

RECOMMENDATIONS

Refrain from the regular practice of entering into closed/executive session.

Occasionally an ABC board will enter into closed/executive session to discuss specific matters related to the general statute as outlined. The purpose of ABC board meetings is to maintain an appearance of transparency and freedom from conflict of interest. An ABC board has no authority to enter into closed session to discuss policy changes and vote on such matters; those topics are to be discussed and voted upon in an open session made available for public review.

Finding #3: Human resource issues pertaining to applicable federal laws, ABC Board policy approval, and policy implementation are not followed as implied.

3a: The NC ABC Commission rule states⁵ *(a) each local board shall establish policies and rules governing each of the following:*

- 1) *Initial employment of employees, including qualifications and requirements for new employees;*
- 2) *Compensation and benefits;*
- 3) *Hours and days of work, holidays, vacation, sick leave and other matters pertaining to the conditions of employment;*
- 4) *Promotion, transfer, demotion and suspension of employees;*
- 5) *Separation or termination of employees;*
- 6) *Granting of salary increases;*
- 7) *Employee grievance procedures;*
- 8) *Any other programs or procedures as may be necessary to promote efficiency and to provide for a fair and reasonable system of personnel administration.*

(b) A local board is encouraged to model its personnel policies and procedures after those adopted by the county or municipality in which it operates.

(c) A local board shall not adopt a rule or policy that conflicts with the provisions of Chapter 18B or these Rules.

An additional rule⁶ states *“a copy of all rules or amendments thereto that may be adopted by a local board to govern the operation of ABC stores or the enforcement of the ABC laws shall be submitted to the Commission at least fifteen days (15) prior to the date on which it is proposed that those rules or amendments are to become effective.”*

It has been a common practice that policies implemented are not forwarded to the NC ABC Commission within the time frame outlined in the rule. Policies applicable to this finding deal with employee compensation changes, known as the Red-Line cap, chain of command policy updates, grievance or disciplinary action changes, etc.

Policies pertaining to employee benefit structure and/or leave such as Family Medical Leave Act (FMLA), must be provided to staff and must meet the criteria and guidelines outlined by the Fair Labor Standards Act⁷.

3b: The NC ABC Commission receives complaints regarding numerous issues of customer service, inappropriate management practices, and personnel concerns pertaining to policy implementation. The NC ABC Commission takes the nature of these complaints seriously and forwards those concerns to the particular ABC Board cited.

⁵ NCAC Rule 15A .1006

⁶ NCAC Rule 15A .1102

⁷ US Department of Labor – www.dol.gov

Specific concerns regarding employee-employer relationships presented to the NC ABC Commission have been forwarded to the Durham County ABC Board. Upon investigation, the procedures for handling grievances that have been adopted by the ABC board are not in fact the procedures being followed and communicated to staff. While the adopted policy indicates that employees may go directly to the board when a concern involves the general manager, written instructions from the general manager direct staff to funnel all concerns through the general manager using the chain of command approach. This procedural requirement limits employees' confidence that concerns will be passed along to the board.

On a number of occasions employees have attended board meetings hoping to address the board directly. However, due to time constraints, the board has been unable to hear those concerns. The audit determined the following:

- Discussions with the general manager indicated that employee complaints when received are brought to the general manager if involving an immediate supervisor. The general manager also indicated that an employee complaint involving the general manager would be filed with the board.
- The written policy states if an employee has a complaint against the general manager, the employee must file with the general manager to be forwarded to a third-party consultant or the insurance provider to investigate the claim.

In conclusion, policies created by the ABC Board and submitted to the NC ABC Commission is different from actual practice.

RECOMMENDATION

As indicated in a previous performance audit and at a board meeting, ABC Board policy and procedural changes must be forwarded to the ABC Commission for review and approval.

As referenced under the finding, the NC ABC Commission encourages the ABC Board to model their personnel policies after the appointing authority. However, any policy changes must be approved before adoption to ensure that they do not conflict with ABC laws and rules and/or federal mandates.

Hire a human resource professional or seek the assistance of the appointing authority's human resource personnel to aid in personnel matters and adherence to federal guidelines.

This area is beyond the scope and expertise of the NC ABC Commission, however, the human resource area is one that should be scrutinized and protected. Although some parts of the law are generally decided upon by the employer, other parts of the law protect the employee. It is important to follow these employee-employer labor laws with extreme caution and concern.



ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

CHAIRMAN:

A. D. "Zander" GUY, JR.

August 30, 2019

COMMISSIONERS:

Norman A. Mitchell, Sr.
Charlotte

Karen Stout
Black Mountain

Norwood Miller
Chairman
Durham County ABC Board
2634 Durham Chapel Hill Blvd, Suite #10,
Durham, NC 27707

ADMINISTRATOR:

Agnes Stevens

Dear Chairman Miller,

LOCATION:

400 East Tryon Road
Raleigh NC 27610

On the following pages you will find the performance audit report conducted earlier this year by the staff of the ABC Commission reviewing the operations of the Durham County ABC Board.

MAILING:

4307 Mail Service Center
Raleigh NC 27699-4307

The report consists of an executive summary, an overview of the objective, purpose and scope, and a digest of your board's performance standards and related findings. Included in the findings are recommendations for action on the part of your board.

PHONE: (919) 779-0700

<http://abc.nc.gov/>

I encourage you to review the report and let me know if you have any questions or require assistance in implementing any of the recommendations.

On behalf of the NC ABC Commission I thank you and your staff for your assistance and cooperation in conducting this review and in implementing the changes that will reduce expenses and increase profitability of your board.

Sincerely,

A handwritten signature in black ink, appearing to read "Agnes Stevens".

Agnes Stevens
Administrator

cc: NC Association of ABC Boards

Official Response to the Performance Audit Report of Durham County ABC Board
From Alcoholic Beverage Control Commission
[Submitted to Auditor's Office June 20, 2019]

The Durham County ABC Board has provided a coordinated response for each finding/issue resulting from the audit performed in March 2019. We prepared this document in response to the final audit report delivered on May 8, 2019.

Finding 1: ABC Board communication between mixed beverage and retail customers about the special order process could be improved.

AGENCY RESPONSE: Weekly emails are sent to both mixed beverage and retail customers to inform them of the status of their order. All Special Orders are processed in a fashion consistent with the "Common Practices of Other ABC Boards" provided in the Audit Report.

Action steps and time frame: Documentation was prepared for each step of the Special Order process and a team was formed to ensure all steps of the process are documented and followed through. Weekly communications are made to customers. At the recommendation of the State, we have also discontinued the practice of depositing checks we receive for payment. The checks are maintained securely until the product is received and the sales invoice has been processed, when items are delivered to customer. Documentation prepared and adopted January 2019. Checks are no longer being deposited as of 5/10/2019.

Finding 2: ABC Executive Session minutes reflect topics that are a matter of public record and do not fall under the exceptions allowed for a closed session.

AGENCY RESPONSE: The Durham County ABC Board accepts the recommendations

Action steps and time frame: The ABC Board acknowledges the limitations established by statute and "policy matters" do not fall within the exceptions allowed for topics to be discussed in closed sessions. Henceforth, the agenda for the meeting will be more specific in identifying the purpose of the closed meeting, that the topic for discussion falls within one the statutory exceptions enumerated in G.S. 143-318.11 and identifying the applicable exception, and justified by one or more of the exceptions specifically stated in the statute. The Board acknowledges that "policy" changes are not to be discussed. The Board further will be careful in publishing the meeting agenda not only to identify the subject for discussion in Executive Session and justified by one or more of the exceptions to the statutes so as to maintain the appearance of transparency and freedom from conflict of interest recognizing that policy changes are topics to be discussed and voted upon only in an open session available for public review.

In further response to the Audit Finding #2, the Board has a standing procedure for adhering to the provisions of G.S. 143-318.11 and G.S. 132 et. seq. and the court interpretations of these statutes. The Board has commissioned lectures on this subject, has invited recognized experts on the subject of open meetings and public records by inviting Institute of Government faculty to lecture on the subject, having counsel to attend public employment law seminars, and receiving update presentation from counsel after legislative sessions to ensure awareness of amendments to the present statutes on the

Official Response to the Performance Audit Report of Durham County ABC Board
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subject. Counsel also is available to and makes presentations to Board members upon appointment to the Board of the statutory requirements of the two principal statutes – public records and open meetings – and court decisions on the statutes applying the statutory provisions. The Board feels that this is important as new members appointed to the Board need to be made aware of the history and purpose of these statutory provisions. Further, the Board is careful to maintain an awareness of the limited exceptions permitted by the statutory provisions and its duty to inform the public not only of issues and topics to be discussed in closed session so as to ensure that the Board's deliberations fall squarely within the intent for public disclosure of the business of the Board subject only to the exceptions allowed by statute. Immediate implementation of proper protocol and procedures.

Finding 3: Human resource issues pertaining to applicable federal laws, ABC Board policy approval, and policy implementation are not followed as implied.

AGENCY RESPONSE: 3a) Any recent/outstanding or future policy revisions that are voted for and approved by the Board are submitted to the NCABC Commission for review and approval, "at least 15 days prior to that date on which it is proposed that those rules or amendments are to become effective".

Action steps and time frame: 3a) Recent policy amendment to the Compensation Plan, including the re-introduction of the Red-Line, was passed at the April Board Meeting and was submitted to the State May 8th, 2019 and approved by May 9th, 2019. This policy will affect the annual salary increases that are paid beginning July 2019, based on performance evaluations for the calendar year January 2018-December 2018.

AGENCY RESPONSE: 3b) Any current or future grievances are to be handled strictly in accordance with Durham County ABC Policy & Procedure guidelines. An email that was sent by the General Manager on August 21, 2018 referred to Policy 803 Reporting Harassment and Policy 806 Complaints or grievances. In the email, employees were "directed to follow DCABC Board's policy instead of contacting Board Members." This was not making it clear to employees that it is indeed acceptable to contact Board Members in certain instances, as defined by policy.

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Action steps and time frame: 3b) As stated in the DCABC Policy & Procedure Manual Section 803 Reporting Harassment, employees are advised, "If you believe that you have experienced or witnessed sexual harassment or other discriminatory harassment, you should report the incident to the general manager immediately. You may report the matter directly to the Chairman of the Board if you feel there is harassment by the general manager". It was found that an email sent by the General Manager on August 21st, 2018, caused confusion amongst staff members when they were advised, "if you have a complaint, grievance and or harassment, you are directed to follow Durham County ABC Board's policy instead of contacting Board Members". Although copies of the policies were attached to the email, there was still a great deal of confusion regarding the matter. Copies of Policy 803 Reporting Harassment, and 806 Complaints or Grievances are immediately and always available to all employees via the online Employee Resource Page found at www.durhamabc.com. All new and existing employees have been provided access to this password protected web page. All new employees are briefed on the contents of the page and, particularly, the Personnel Policy Manual, and instructed to view the contents in depth.

EXHIBITS

Procedure for Special Orders Requested by MXB Customers

1. Mixed Beverage customers will request special order items through Mixed Beverage personnel.
2. MXB personnel must verify that the item requested is available as a special order item through the NC ABC Commission's website.
 - a. Go to: <https://abc.nc.gov/Pricing/SpecialItems>
 - b. Enter the NC Code for the special item requested and click Search
 - c. If the product displays, notify the customer it is available for order
 - d. Double-click on the item to open the item description sub window
 - e. Print the item description page to show the customer
3. If the item is available and the customer agrees to the purchase price, then the customer will proceed with payment for the special order item.
4. MXB personnel will complete a Special Order Form (download from the Resource Page). Complete the order form in its entirety. **Be sure to get an email address which is how we will communicate with the customer regarding the status of their product.**
5. Mixed Beverage personnel will immediately order the product via the NC ABC Commission's website. (Refer to file *Instructions for Ordering Special Items*).
6. Give Permittee a copy of the Special Order Form and item description page. Note the check number on the order form and/or item description page.
7. MXB personnel will hold the customer's check for a "grace" period until the NC ABC Commission emails the "Authority to Ship" notification. The check will be deposited at that time.
8. MXB personnel will email a copy of the Special Order Form and item description page to the special order team's email address at special.orders@durhamabc.com (consisting of the Warehouse Managers, MXB Managers, Operations Coordinator, Support Services Director and Accountant). **NOTE: Copies of these records must be kept on file for one year.**
9. After emailing the paperwork in the previous step, follow up with a phone call to the warehouse to confirm receipt of the email.
10. Upon receiving the paperwork, the Operations Coordinator will create a new Item Card in Navision if applicable. In the absence of the Operations Coordinator, the Warehouse Manager will create the Item Card.
11. The order details must be documented on the shared spreadsheet. Currently, the Accountant enters the initial information when the deposit information is received. The MXB staff will need to update the spreadsheet with any additional status, including order date.
12. On a weekly basis, the Support Services Director will check special order stock status for updates on special order items. An email should be sent to the Permittee including the order status. In the absence of the Support Services Director, this will be done by the Operations Coordinator. **An inquiry will be sent to the ABC Commission when an order has been outstanding for more than eight weeks.**

13. The Warehouse will document on the spreadsheet the date the item is received from the state warehouse and the date the item is actually transferred from the warehouse to MXB (use the Notes field for the latter). Notify the MXB manager that the product is being transferred.
14. Upon receiving the special order item, MXB personnel will contact the customer to arrange for pickup. MXB personnel will record the date of pickup on the spreadsheet and notify the Accountant and the Support Services Director that the item has been picked up by emailing applicable paperwork. The Accountant will move the entry to the appropriate history tab on the spreadsheet.
15. For items that are refunded due to cancellations or customer request, MXB personnel will notify the Accountant when the refund check is picked up. The Accountant will note the date on the spreadsheet.

Procedure for Special Orders Requested by Retail Store Customers

1. Retail customers will request special order items through individual store locations.
2. Store personnel must verify that the item requested is available as a special order item through the NC ABC Commission's website.
 - a. Go to: <https://abc.nc.gov/Pricing/SpecialItems>
 - b. Enter the NC Code for the special item requested and click Search
 - c. If the product displays, notify the customer it is available for order
 - d. Double-click on the item to open the item description sub window
 - e. Print the item description page to show the customer
3. If the item is available and the customer agrees to the purchase price, then the customer will proceed with payment for the special order item.
4. Store personnel will complete a Special Order Form (download from the Resource Page). Complete the form in its entirety. **Be sure to get an email address which is how we will communicate with them regarding the status of their product.**
5. Ring the item at the point-of-sale. If not available in the POS system, contact the warehouse manager or Operations Coordinator to add the item card information. Try ringing up the product again.
6. Print a register receipt for the payment. Then print a 2nd copy.
7. Give the customer a copy of the Special Order Form, item description page and register receipt.
8. Store personnel will scan and email a copy of the Special Order Form, item description page, register receipt of payment to the special order team's email address at special.orders@durhamabc.com (consisting of the Warehouse Managers, MXB Managers, Operations Coordinator, Support Services Director and Accountant). **NOTE: Copies of these records must be kept on file for one year.**
9. After emailing the paperwork in the previous step, follow up with a phone call to the warehouse to confirm receipt of the email.
10. Upon receiving the paperwork, the Operations Coordinator will create a new Item Card in Navision if applicable. In the absence of the Operations Coordinator, the Warehouse Manager will create the Item Card.
11. The order details must be documented on the shared spreadsheet. Upon receipt of paperwork, the Accountant will enter the initial information. The Warehouse Manager will need to update the spreadsheet with any additional status including order date.
12. The warehouse manager will immediately order the product via the NC ABC Commission's website. (Refer to file ***Instructions for Ordering Special Items***)
13. On a weekly basis, the Support Services Director will check special order stock status for updates on special order items. An email should be sent to the customer including the order status. In the absence of the Support Services Director, this will be done by the Operations Coordinator. **An inquiry will be sent to**

the ABC Commission when an order has been outstanding for more than eight weeks

14. The Warehouse will document on the spreadsheet the date the item is received from the state warehouse and the date the item is actually transferred from the warehouse to the store where the item was requested (use the Notes field for the latter). Notify the store manager that the product is being transferred.
15. Upon receiving the special order item, store personnel will contact the customer to arrange for pickup. Store personnel will notify the Accountant and Support Services Director that the product has been picked up. The Accountant will notate the date on the spreadsheet and move the entry to the appropriate history tab on the spreadsheet.
16. For items that are refunded due to cancellations or customer request, MXB personnel will notify the Accountant when the refund check is picked up. The Accountant will note the date on the spreadsheet.