

## CALIFORNIA CRAFT BREWERS ASSOCIATION

### Best Practices for Donating Beer for Non-Profit Events



**Q.** Who can get a temporary non-profit license through the ABC?

**A.** Organizations with 501c3 or 501c6 non-profit status with the IRS can fill out ABC 221 form to apply for a temporary non-profit license through the California ABC. The non-profit can use this temporary license for areas not already covered (city park, open space, etc.) by an existing ABC license. ABC code dictates that, if money is being charged for tickets and/or alcohol, all revenue must go to the non-profit license holder.

**Q.** Who can breweries give beer to?

**A.** Breweries are only allowed to donate beer for resale to non-profit organizations that hold a non-profit special daily license through the ABC. A brewery may donate beer to a non-profit that doesn't have a special daily license. However, the non-profit without a license can only serve that beer at no charge or associated fee (such as selling a ticket) to its members.

Donations cannot be provided to holders of a caterer's license or a permanent retail license. If the event is being promoted using a caterers' permit or permanent retail license, beer manufacturers must sell the beer at posted prices. Breweries can attend events at a retail licensee and represent their product. However, it is not legal for them to pour beer at the event.

**Q.** What can a brewery provide to a non-profit event?

**A.** Breweries are only legally able to donate beer to non-profit event license holders. A recent law allows breweries to also donate bottled or canned beer to the same non-profit event licensee to be used by the event holder for auctions, gift baskets or other off-sale purposes. Breweries can also provide equipment to dispense beer and brewery staff to pour their beer at these events.

**Q.** Can breweries provide free goods to non-profit events?

**A.** No. Breweries can only donate beer to a non-profit event.

**Q.** What should breweries be looking for when considering non-profit donations?

**A.** Breweries should always:

- Ask for a copy of the non-profit license before donating beer
- Insist on seeing the list of conditions that the ABC attached to the license when it was issued (may include pour size, restrictions on hours, etc.)

- Issue an invoice for the beer they donate (\$0 invoice if donated)
- Provide a copy of the invoice to the license holder
- Make sure that each event organizer has the proper liquor liability coverage for the event and alcohol that is being served.

Breweries do not have to:

- Donate beer to a non-profit event. They can also sell it. It does not have to be sold at posted prices. It can be sold at any price or discounted
- provide the event organizer with any separate insurance policy for the event

**Q.** Are there events that breweries should avoid?

**A.** Yes, be Selective

- Since beer is being given away for free, we recommend breweries be very selective with each event that they participate in.
- Ask the question: Is the event truly a fundraiser for a non-profit? It's important that all revenue is going directly to the non-profit.
- Know who the event organizer is and who the non-profit license holder is. Ask questions like: Do they know how to run an event and do they know ABC regulations? Who profits from the event? Is there a contract in place between the organizer and the non-profit?