



## California Craft Brewers Association

### Beer Festivals

Beer manufacturers with a Type 01, 23 or 75 license can donate to non-profit organizations and to special event license holders. The California ABC is very specific as to who manufacturers can donate to, what can be donated and the details around non-profit events and fundraising. The ABC California Business & Professions code [23357.3](#) outlines the statute related to these events and donations.

- x Beer manufacturers with a Type 01 or Type 23 OR Type 75 license may donate or sell beer to a charitable organization which holds a non-profit special event one-day license. Contract brewers with a Type 17 License must also have a type 10 license in conjunction with their Type 17 to donate beer.
- x If selling to a special event license, no price posting is required. You may sell at any price you wish.
- x Brewery staff may pour beer at the event and may provide dispensing equipment (jockey box). The brewery may also provide a table, pop-up or other shade, signage and marketing material. The brewery may not provide cups or ice.
- x Breweries may donate beer to a 501(c) organization that is holding a private event (not open to the public, no charge for admission and no sales of alcohol) that is being held on a premises that is not licensed by the ABC.
- x A brewery cannot donate merchandise to the non-profit license holder.
- x A brewery cannot give any items away to a consumer at the event valued at more than \$3.00 per item. There are no ABC restrictions that prohibit a brewery from selling merchandise at an event. Items must be sold at "fair market value," generally considered to be your cost plus 10%.
- x Occasionally an event is run by a holder of a caterer's license or a concessionaire license. In this case, you cannot donate the beer and you cannot pour the beer. The beer must be sold at your posted price. It is best to have the license holder send you a copy of the license before you donate beer to ensure that the event has the proper licensing.

## Beer Festivals FAQ

The following are some frequently asked questions about donating to non-profits and participating in beer festivals:

**Q. Can I donate some hats and T-shirts to a non-profit organization holding a beer festival with a one-day license?**

A. No. Donating product is allowed, but donating branded novelty items (hats, t-shirts, glassware, etc.) is not allowed. You can donate non-branded items. Or, you can make a cash donation to the non-profit and they can in turn purchase branded novelty items (as long as there are no conditions attached and the non-profit makes an independent decision to do so). A non-profit, special event license is a temporary retail license and falls under all of the restrictions of a licensed retailer except as provided in statute (the statute specifically allows donating beer and being able to serve beer). Therefore, you cannot “donate” or provide any item valued at \$0.25 or more per item to a charity that is the holder of a special event license.

**Q. A non-profit is holding a fundraising event at Bob’s Bar. Is it OK to donate beer to the event?**

A. Only if the retailer surrenders their ABC license for the portion of the licensed premise for the duration of the event and only if the non-profit has a one-day license for the event. Be cautious anytime a non-profit holds an event at a licensed retailer and asks for beer to be donated.

**Q. Can I pour my beer at a beer festival?**

A. If you are a licensed beer manufacturer (type 23 or 01 or 75) than yes you can – as long as the event has a non-profit special event license. Remember, you can donate the beer to the non-profit, and then you can dispense the beer for the non-profit. This license also allows you to take back any unused beer not served at the event. But technically, the beer belongs to the non-profit during the course of the event.

**Q. Can I have a friend pour beer for me at a beer festival?**

A. Yes. You can assign an “agent” of your brewery to pour for you. They do not have to be a paid employee. But your company assumes all responsibility of that person’s action during the entirety of the event.

**Q. I am a licensed brewery with a type 23 license. I’d like to have a non-profit hold a fundraiser event at my brewery. Can I do that?**

A. Yes. But there are many restrictions. The non-profit must get a special event temporary license from the ABC and abide by all the restrictions of that license. You must also surrender your type 23 for any portion of your licensed premise that overlaps the footprint of the special event license (this is detailed on the license application). If a portion of your license is not surrendered as part of the non-profit event, then no beer can cross between the two licenses.

There are many other restrictions that you should be aware of. Be aware that if there is an incident, or the ABC does an inspection during the course of the event, or if the ABC does an audit of the event at a later time, your license could be revoked if there is a violation found. We strongly recommend using a

consultant to advise you of all of the restrictions prior to holding an event at your brewery. Contact the CCBA for more information.

**Q. We have a type 23 license and I was told we couldn't sell our beer at a beer festival.**

A. As a beer manufacturer, you are allowed to donate beer to the non-profit. Only the non-profit is allowed to sell the beer. All revenue from sales of beer must go directly to the non-profit.

**Q. But we show up with our beer and take the leftover beer with us. Isn't that selling our own beer?**

A. No. During the course of the event, the beer technically belongs to the license holder, not the brewery even though you are pouring it and it is in your booth. This type of retail license does allow the beer manufacturer to take back any unused product, so at the end of the event you can take back into your possession any unused product.

**Q. So even though we have our own booth and serve our own beer, we can't be compensated for it?**

A. You can sell your beer to the non-profit prior to the event and be compensated in that way. You do not have to sell at your posted prices.

**Q. We were at a beer festival last week and next to us was a brewery we had never heard of. They had signage, coasters and a Facebook page. They were very vague about who they were but finally admitted they were homebrewers. Are homebrewers allowed at beer festivals now?**

A. Yes. A bill was passed two year that allows homebrewers to give beer to a non-profit special event license holder. They may not sell the beer to the non-profit. All homebrew served at an event under these circumstances must be in a defined separate area with clear signage indicating that it is homebrew being served. To ensure that consumers know which beer is homebrew, the law specifically reads that homebrewed beer must be served "within a clearly identified area including... a physical barrier with a monitored point of entry."

**Q. A non-profit organization runs a local arts and music theater. They hold a permanent retail license for the venue and sell beer & wine at events. Can we donate beer to them since they are a non-profit organization?**

A. No. They hold a *permanent retail license* and beer manufacturers are only allowed to donate beer (with stipulations) to the holder of a *non-profit temporary license*.

**Q. If they were to get a temporary beer & wine license for a special event, could we then donate beer to them?**

A. No. Because they hold a permanent retail license, you cannot donate to them even if they were to get a temporary license.

**Q. What records are we required to have on hand and/or keep when we donate beer or bring beer to an event?**

A. You want to create an invoice for the beer that is being donated or sold to the non-profit. Keep it with you during the event and file it after. You'll also want to obtain a copy of any temporary license that has been issued to the non-profit. You will need to keep these and any other documents (physical or electronic), related to non-profit donations, in your files for at least three years. "Licensees who manufacture, import, sell or distribute alcoholic beverages must keep records at the licensed premises for a period of three years. (Section 25752 and Rule 17)."