



MIPS, Price Changes, and Discounts

Subject to the requirements of Code of Virginia § 4.1-119, Virginia ABC shall fix the retail prices at which the distilled spirit is sold in the Distillery Store. Consistent with Virginia ABC's responsibility to establish retail prices, Distillery Stores may only sell distilled spirits in sizes and at prices approved by Virginia ABC. The sale of distilled spirits in unapproved sizes or prices shall constitute a violation of the terms and conditions of this Agreement. No discounts may be given to customers without Virginia ABC approval.

Retail consumers (non-licensees), licensees, and the distillery itself must pay the same price for product. Any attempt to vary prices shall constitute a violation of the terms and conditions of the Distillery Store Agreement and may result in sanctions. For errors in reported sales due to ringing the wrong code, incorrect price, or similar mistakes, Virginia ABC reserves the right to require the difference in the higher of the approved price and the actual price charged be remitted to Virginia ABC upon monthly reporting.

In addition to appropriate prices, only the appropriate sales tax is to be charged to and collected from customers for retail sales. Distilleries are responsible for ensuring that the appropriate sales tax is being charged on all sales platforms, including those used for online sales and remote event sales. Sales tax rates can be found here <https://www.tax.virginia.gov/sales-tax-rate-and-locality-code-lookup> and should be confirmed **prior** to attending a remote event. Mixed beverage licensees do not pay sales tax on purchases of distilled spirits. (For sales to qualifying tax-exempt entities such as non-profits and foreign diplomats who present copies of their tax-exempt letters or cards, a copy of the letter should be retained for the record and the tax-exempt sale should be recorded in the appropriate line, "Other Tax Exempt" and in the note box.)

All distilled spirits available for sale on any sales platform must be made available to all customers, both retail and licensee. Under no circumstances are distilleries permitted to restrict sales and availability of certain items to select customers/licensees in which the select customer/group receives special access or pricing, unless the sale is a pre-arranged barrel-pick approved by Virginia ABC. Distillers shall not hide or leave bare the shelf space for products that are made available for sale to Licensees. For example, larger sizes typically purchased by licensees should be in stock, visible, noted in menus, and available for sale to regular retail customers both in store and online if the distiller conducts online sales.

1. MIPS

Virginia ABC's Management of Inventory and Product Sales Systems (MIPS) can be accessed through Virginia ABC's website at <https://www.abc.virginia.gov/licenses/spirits-industry-resources/mips-eem-help>. For more immediate assistance, contact Virginia ABC Product Master Robin Fox at 804-213-4524.

There are four product categories in MIPS. Instructions will vary depending on the product category.

- **STD:** (Standard) – Listed products that have gone through the listings process
- **SOC:** (Special Order Catalog) – Products that are listed in the ABC Special Order Catalog
- **SONC:** (Special Order Non-Catalog) – Products that have not been listed in the catalog, but can be ordered
- **SONC/DO:** (Special Order Non-Catalog- Distillery Only) – Products only sold in the Distillery Store. All new Distillery Store products will be marked Distillery Only until they go through Listings or are special ordered.

Distillery Stores are expected and required to verify product details in MIPS regularly and ensure that pricing in the Distillery Store POS is up-to-date and matches MIPS. Any questions or concerns about inconsistencies or errors in MIPS should be submitted to Robin Fox robin.fox@virginiaabc.com and Distillery Group distillerygroup@virginiaabc.com.



2. New Products

In addition to being certified by the TTB, all (spirit) products sold in a Distillery Store must be approved by Virginia ABC and entered into MIPS before a Distillery Store may sell those products to the public. Each product is considered a unique product requiring its own approval and item code in MIPS along with a unique UPC code if the name, type of alcohol, flavor, recipe, proof, and/or size of bottle differs from another product. Each item available for sale, including SONC/Distillery Only items, is required to be properly labeled with the associated UPC code affixed.

Items that have not yet been approved and assigned an item code in MIPS are not permitted to be sold to the public and any attempt to do so shall constitute a violation of the terms and conditions of the Distillery Store Agreement. Any new flavors or recipes produced, to include a variation of botanicals used from previously approved products, must first be approved and entered into MIPS before they can be sold to the public.

For Barrel-aged products where the proof may not be consistent, as long as the proof for a product stays between 70 and 124 percent, no change is required to the product listing in MIPS. If the proof changes to 125% or higher, distillers will either need to proof it down or apply for a new product code.

3. Submission of New Products

STD or Standard products intended for submission to ABC Retail Store Listings require a NABCA code, and shall be submitted via the Listings process, which occurs three times a year. <https://www.abc.virginia.gov/licenses/spirits-industry-resources/listings-and-delistings> Distillers may prefer to submit their product first as Distillery-Only in order to begin selling at their Distillery Store while waiting for the Listings process.

New product submissions for SOC/SONC/Distillery-Only status must be done via the Product Specifications Sheet, which is downloadable at the bottom of the Distillery Store Information webpage <https://www.abc.virginia.gov/licenses/spirits-industry-resources/distillery-store-information>. The sheet must be filled out completely and submitted to Product Master Robin Fox robin.fox@virginiaabc.com and distillerygroup@virginiaabc.com should be copied on any such requests. Incomplete or incorrect sheets will cause delays in ABC's ability to process requests.

**SOC/SONC/Distillery-Only submissions must be made at least
two weeks prior to the first of the month
in which distillers intend to begin selling**

4. Submission of Product Changes/Price Changes

Standard products are subject to a quarterly price change limitation where prices may only be adjusted once per quarter. *They must be put into MIPS 90 days in advance and take effect on the first day of the quarter (January, April, July, October).* Price changes can only take effect on the **first of the month**. Please submit all price change requests via MIPS for Standard product changes.

SOC/SONC/Distillery-Only product changes should be submitted via an updated Product Specifications Sheet submitted to Robin Fox robin.fox@virginiaabc.com. Changes will occur on the first of the month and last until a new price change is submitted.



**SOC/SONC/Distillery-Only change requests must be submitted at least
two weeks prior to the first of the month
in which the change will take place**

5. ABC Authorized Promotions

Virginia ABC authorizes discounts from time to time, such as Black Friday or the September Sale-A-Bration. Virginia ABC will determine these discounts and communicate them to Distillers in advance of the discount opportunity. Any questions regarding discounts should be directed to Virginia ABC's *Marketing and Merchandising Division* (marketingTM@virginiaabc.com). With the exception of specific Virginia ABC-approved discounts, **no distilled spirits are permitted to be sold within the commonwealth at any discounted or inflated price outside of Virginia ABC approved price within MIPS**. Doing so is a violation of the Distillery Store Agreement and may result in sanctions.

6. Standard Product Closeout/Elimination

When Standard products experience low turnover in Virginia ABC retail stores, they are deemed slow movers and could become delisted by the Marketing and Merchandising Division at which point they are eliminated in MIPS. Distilleries may continue to sell those items in their Distillery Stores with the submission and approval of a new Product Specification Form, specifying the "Distillery-Only" designation in the product name field. Distilleries should monitor for such items, as they would need to be re-added into MIPS as a Distillery-Only item before they can continue to be sold in the distillery store. For more information on delisting, please view the Supplier Manual and listings/de-listings website <https://www.abc.virginia.gov/licenses/spirits-industry-resources/listings-and-delistings>.

Further Guides and Information:

NABCA Codes aka Control State Codes (CSC) and product or label changes that require a new code
https://www.nabca.org/sites/default/files/assets/files/control-state/CSCSpecManual_May2021.pdf

SCC (Shipping Container Code)s and UPC Code Guidance

What is an SCC: <https://www.gs1us.org/content/dam/g1us/documents/industries-insights/standards/An-Introduction-to-the-Serial-Shipping-Container-Code-SSCC.pdf>

What is a UPC: <https://www.gs1-us.info/g1-upc-codes/>, <https://www.gs1.org/standards/barcodes/ean-upc>

TTB Guidance for Labels, COLAs, etc.

<https://www.ttb.gov/distilled-spirits>

ABC Distribution Center (DC) Contacts

- For Bailment Statement Questions- Accounts Payable at accounts.payable@virginiaabc.com.
- For Distillery Dropoff Appointments- VDAppointments@virginiaabc.com
- For specific warehouse logistics questions- Bryan Vaughan at (804) 213- 4525 or bryan.vaughan@virginiaabc.com

Note: Products sent to the ABC Distribution Center (DC) for sale at ABC stores should come from bond, NOT the Distillery Store sales floor. Therefore, any sales/movements to the DC should NOT appear on the Distillery Store Worksheet.