



Contract Liquor Agency Commission Bonus Program

Prerequisites

There are three prerequisites for the Commission Bonus Program:

- Agencies must opt-in to participate in the program by July 31, 2019. Electing not to participate will not result in any sanction but will eliminate the Agency from consideration for the bonus for the current fiscal year.
 - The contract signatory must be the one to opt in or out of the program, and it must be done separately for each Agency the signatory is associated with.
- Statewide sales growth (measured in shelf dollars) must exceed 5 percent for FY 20.
 - This rate is slightly lower than the past four years' average growth rate of all control states across the United States and approximately equal to the growth rate for control states contiguous with Ohio. It is significantly lower than Ohio's 7.5 percent growth rate for the same period.
- This growth measure is for sales across the state, not at an individual Agency.
 - Any Agency placed on suspension by the Superintendent of the Division of Liquor Control for any period during FY20 will be ineligible for the bonus.

Criteria for Eligibility

OHLQ has identified five criteria for bonus eligibility evaluation and calculation. Each criterion is worth a set number of points. Agencies can receive partial credit for each category except for Agency Compliance:

- **Individual Agency Sales Increase (25 points):** Agency sales (total retail revenue) must increase year-over-year. Even \$1 more in retail sales from the previous fiscal year will meet this criterion.
 - This should not be confused this with the statewide 5 percent increase requirement.
- **General Store Appearance (15 points):** Division Auditors will make four compliance visits to each store during the fiscal year, which will include:
 - Inspections
 - Observations
 - Documentation of Agency interior and exterior condition and appearance, including cleanliness, product visibility, and orderliness.

- **Sales Reporting/Inventory Maintenance/Paperwork Retention (15 points):** Auditors will inspect and document compliance with the Agency Operations Manual requirements such as:
 - Safety and security
 - Price tag accuracy
 - Product organization and merchandising (brand and type arrangement)
 - Files retention
- **Inventory Control (20 points):** Auditors will inspect Agencies' backrooms to observe and document:
 - Adequate access and security measures
 - Orderliness of stock
 - Observance of the "first-in/first-out" inventory management method
 - Other standards as outlined in the Agency Operations Manual
- **Agency Compliance (25 points):**
 - Has the agency received zero violations by the Ohio Division of Liquor Control, Ohio Investigative Unit, or local law enforcement for underage sales of spirituous liquor?
 - Has the agency received zero violations by the Ohio Division of Liquor Control, Ohio Investigative Unit, or local law enforcement for any other violations of the law?

The five criteria form an objective "scorecard" with a total possible score of 100. Agencies can score from zero to 100 points. The total number of points each Agency scores will determine the portion of any bonus payable to that Agency. (A narrative presentation of the "scorecard" is on pages 16-17 of the Agency Operations Manual, a copy of which every Agency received at the Agency Training Sessions. The manual is also posted on Ops.OHLQ.com).