

# Special Events & Working with Nonprofits

In an effort to provide continuing education to our members, the Colorado Brewers Guild has assembled a list of most common issues arising from holding special events with nonprofits, which has been developed based on input from members and counsel

Please note that this list does not constitute legal advice.

Always consult your lawyer for legal advice.

## Who Can Hold

Only a nonprofit is able to obtain a special event permit. Nonprofits vary and can include charitable organizations, political advocacy organizations, and municipalities. There are several different ways that a nonprofit can hold the event, and each one carries its own requirements. In any event, the nonprofit is the entity that is ultimately responsible. Any contact from a third-party should be verified through the nonprofit.

## Donation versus Sale

While beer is not permitted to be provided to normal retailers at below laid-in cost, nonprofits are permitted to receive discounted or donated alcohol. However, if an on-premises licensee is holding an event and is just donating proceeds to a charity, alcohol cannot be donated or sold below laid-in cost. This is not a true "special event" under Colorado law.

## Invoices

All sales and donations must be invoiced to the nonprofit. If a nonprofit is holding the event at a location that is normally licensed for on-premises consumption, the invoice shall be to the on-premises retailer, but must also include the nonprofit and date of the event.

## Delivery versus Pickup

No alcohol can be delivered to a non-licensed location. If the nonprofit has obtained a special event permit, they can accept delivery prior to the event, but only if the nonprofit has applied and been approved for such. If product is being donated, then it may be delivered by either the brew pub or wholesale licensee; however, if the product is being sold (even at a discount), the delivery must come from the wholesaler or brew pub with the territory rights to the location. If a nonprofit is holding an event at a non-licensed location without a special event permit, it must pick up the alcohol from the permitted sales room or licensed brew pub.

## **Pouring at the Event**

Who can pour at an event depends on the legal status of the event. If a Special Event Permit is obtained, or they are holding a qualified event at a non-licensed location, suppliers may pour at the event. If the nonprofit is organizing the event at an on-premises licensee, suppliers may pour at the event. If an on-premises licensee is organizing an event and donating proceeds to charity, suppliers may not pour at the event unless they are being compensated at the normal rate of the retailer's employees.

## **What Can be Done with the Alcohol**

If sold to the nonprofit, alcohol can be sold by the drink. If donated to the nonprofit, alcohol can be sold by the drink only if it is a Special Event Permit. All other scenarios prohibit the sale by the drink of donated alcohol. Admission fees cannot be tied to the consumption of alcohol.

## **Unused Product**

The licensee that provided the alcohol is permitted to accept a return for any unused alcohol from a nonprofit. If the product was provided to a location that is normally licensed as a retailer, that product may be returned or sold to the retailer at least at laid-in cost.

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