

CLUB GUIDELINES

INDIANA STATE EXCISE POLICE

Permits

ATC permit must be displayed (IC 7.1-3-1-20)

Federal Tax Stamp must be available

Retail Merchants Certificate must be available

Basic Alcohol Laws / Rules

Indiana law requires permittees and their employees to check identification of any person under the age of 40 when conducting carryout sales. While there is no similar ID requirement law for on premise consumption, the Excise Police encourage requiring identification from anyone appearing under 26 years of age when making sales for on premise consumption (US government-issued IDs). Acceptable forms of identification are non-expired picture IDs, including but not limited to, a driver's license, state-issued ID card, US Government identification. REMEMBER: If you still question the age of the person, you should refuse to serve them.

Times When Sales Lawful (IC 7.1-5-10-1) (IC 7.1-3-1-14)

A club may sell and serve alcoholic beverages every day, from 7:00 am local time, to 3:00 am local time the following morning. The club has thirty (30) minutes to clear the bar service after legal service hours. At 3:30 am, every day, all alcoholic beverage consumption shall have ceased and all alcoholic beverage containers cleared away from areas of consumption. A club may be open for all other activities during the hours at which the club chooses to operate.

To Whom a Club can serve alcoholic beverages to

Card carrying member only (IC 7.1-3-20-6) (this includes auxiliary members)

May be a member from another post of same club

Sale Of Alcoholic Beverages To Non-Members (905 IAC 1-13-3)

No holder of a club permit can sell or give alcoholic beverages to any person who is not a bona fide member of the club. Club membership also includes visiting members and members of an affiliated organization or association auxiliary. The only legal exception to the law is that a non-member may purchase his/her own alcoholic beverages during an approved guest day.

Guest Book

This is a practice that allows for registration of non-member guests. The club maintains a sign-in book and members are permitted to sign-in a non-member guest. The guest book should include the date, name of guest and signature of host member at the very least. Provision for guest books should be a policy that is made a part of the club by-laws. The purposes of the guest book are to allow friends and family access to the club facility and to monitor the purchase of alcoholic beverages by members for guests. The guest-member ratio is suggested by the Commission to be kept at near a one-to-one ratio. A club must keep a guest book in accordance with I.C. 7.1-3-20-8.6. The guest book policy does not allow the purchase of alcoholic beverages by non-members. Only an approved guest day authority allows for non-members to purchase alcoholic beverages.

Since the Commission regulates the distribution and sale of alcoholic beverages only, non-members may enter, loiter, and eat in the club facility without any sanctions. In addition, a non-member may pay for food or non-alcoholic drinks that they wish to purchase.

Club Guest Day (IC 7.1-3-20-8.6)

The holder of a club permit may do the following:

- (1) Designate one (1) or more days each calendar month as guest days, not to exceed a total of seven (7) guest days in any calendar month. (email to dist5@atc.in.gov)
- (2) Keep a record of all designated guest days.
- (3) Invite guests who are not members of the club to attend the club on a guest day.
- (4) Sell or give alcoholic beverages to guests for consumption on the permit premises on a guest day.
- (5) Keep a guest book listing members and their nonmember guests, except on a designated guest day.

Managers (IC 7.1-5-9-15)

Must have an Employee Permit (IC 7.1-5-6-3)

Must have a Manager's Questionnaire on file

Cannot hire on a commission basis (905 IAC 1-13-4)

Servers and Bartenders

An applicant for an employee permit (bartender/waitress/clerk, etc.) may "work on" the receipt (receipt must contain the name of the actual applicant) of a cashier's check or money order made payable to the Indiana ATC. An applicant may "work on" this receipt for a period of ninety (90) days from the date of issuance of the cashier's check or money order. The actual application and payment must be forwarded to the Indiana ATC before the receipt may be "worked on." (IC 7.1-3-18-9(c)) Servers and bartenders must also complete the Certified Server Training every 3 years. Bartenders can utilize Volunteer Bartender permits at clubs.

Alcoholic Beverages

No Carry-In (IC 7.1-5-8-5)

No Carry-Out (905 IAC 1-13-3)

What is an alcoholic beverage?

Liquid that contains 0.5% or more alcohol by volume (IC 7.1-1-3-5)

O'Douls and Sharps do not qualify as alcoholic beverages

Any age may consume non-alcohol drinks at any time

Carry out rules do not apply to non-alcohol drinks

Price Discrimination (IC 7.1-5-10-20)

No 2 for 1 or bottomless drink specials allowed

Can raise prices for live entertainment (offset costs)

Can't charge one person a price and another person a different price

Happy Hour update

- Business can have up to 15 hours per week for happy hour times
- Business can only offer happy hour promotions for 4 hours per day
- Happy hour can not be offered between 9:00PM and 3:00AM

Note regarding drink tokens/chips: If a drink token/chip does not have a cash value, it could easily lead to committing price discrimination. IC 7.1-5-10-12 makes it, "...unlawful for a permittee to sell, offer to sell, purchase or receive, an alcoholic beverage for anything other than cash." If a drink token/chip has an actual cash value, like a gift card, that can be accepted. An example would be a \$5 token/chip being sold for \$5. Token/chips that change in price do not have a cash value.

Minors

No one under the age of 21 can consume alcoholic beverages under any circumstances

Defense to Sale of Alcoholic Beverages to a Minor (IC 7.1-5-7-5.1)

Minors allowed in club bar room (unless that bar room is also the club smoking area)

Clubs may enact their own rules to not allow minors in bar

Sale to Intoxicated Patrons

It is a criminal offense to sell or furnish alcoholic beverages to an intoxicated person. In addition, the provider may experience civil liabilities if death or injury, even to a third party, occurs as a result of the act. (IC 7.1-5-10-15)

Credit Sales (IC 7.1-5-10-12)

Businesses cannot allow customers to run a tab/credit sales to another business day but IC 7.1-5-10-12 states that clubs can allow tabs (effective 07/01/19). The statute reads "*Nothing in this section may be construed to prohibit a hotel, restaurant, caterer, or a club that is not open to the general public from extending credit to a consumer purchasing alcohol for personal use at any time.*"

Who may supply Club with alcoholic beverages?

Club must purchase from licensed wholesaler only

Borrowing is not legal

Should check into Co-Op to save on quantity purchases

Smoking Areas

Clubs that meet the requirements of IC 7.1-3-20-1 or IC 7.1-3-20-7 and U.S.C. 26 501(c) can apply for and receive an exemption from the state's smoking ban provided they adhere to specific requirements:

- 1.) Must provide a separate, enclosed, designated smoking room area with ventilation to prevent the migration of smoke to the non-smoking areas on the premises.
- 2.) Smoking is allowed only in the designated area
- 3.) No one under 21 is allowed in the smoking area
- 4.) Non-members are allowed in the smoking area only when accompanied by a member

NOTE: club must vote on removing smoking exemption if they wish to do away with it (need minutes from meeting)

Refilling of Bottles (IC 7.1-5-3-3)

Cannot refill bottles (or combine bottles)

Renting Rooms (905 IAC 1-13-5) (IC 7.1-5-8-4)

A club is prohibited from leasing or renting its bar facilities (bar room) to an outside organization or person(s). Non-members or members who rent a room other than the bar area may bring alcoholic beverages which have been purchased from someone other than the club into that room (in conjunction with a temporary beer/wine permit or a caterer utilizing its Catering Authority). A violation would occur if the club sold alcoholic beverages to a non-member who rented a room in the club's facilities. A club may prepare food and provide services other than those related to alcoholic beverages to non-members. A club member may rent a room or rooms for special occasions and the club may furnish the alcoholic beverages. The member must pay for all alcoholic beverages either prior to or immediately after the event has concluded. There can be no cash bar for non-members unless a guest day authority has been obtained.

Renters can bring alcoholic beverages into rented room if they have either applied for a temporary beer/wine permit for the event or hired a licensed caterer for the event.

Catering Permit

A fraternal or social club is permitted to apply for and receive a catering permit. A club that possesses a catering permit is entitled to cater to an event away from the club permit premise. Due to the potential that non-members may be served at such events, clubs catering events are required to use a guest day on that date(s).

Picnic grounds

Clubs may serve on their picnic grounds if

- 1.) located on grounds that are encompassed by permit premise or within reasonable proximity to premise
- 2.) structure is permanent, semi-permanent or portable
- 3.) approved on floorplan

Raffles

Club permit locations who qualify for 503c status can obtain a charitable gaming license from the Indiana Gaming Commission (IC 4-32.3-4-11)

Can provide alcoholic beverages as a prize during allowable events (IC 7.1-3-6.1-3/4/5*)

bingo / charity game night / raffle / door prize drawing / festival / sale of pull tabs, punchboards or tip boards or any other gambling event approved by the commission under this article; conducted by a qualified organization in accordance with this article and rules adopted by the commission under this article.

*the qualified organization may purchase or receive donations of alcoholic beverages in sealed bottles or cases from a wholesaler permittee, a retailer permittee, a dealer permittee, a farm winery permittee, a small brewer permittee or from persons who are not permittees. The winner of the alcoholic beverage prize must be present in order to win the prize (IC 7.1-3-6.1-6) and the prize must be given to the winner by an individual designated by the qualified organization.

This list is intended as a guide to answer commonly asked questions for club members and officers. If you have any further questions, please feel free to contact the District 5 office

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