Policy and Procedure

Virginia Winery Distribution Company

Number:
Adopted: 3/11/2025
Revised:
Effective: 3/11/2025

Subject: Outstanding Invoices

Approval: S. Joynes, Chair
Chair: Stan Joynes

I. Purpose

The purpose of this policy is to establish clear procedures for managing outstanding invoices for the Virginia Winery Distribution Company (VWDC) in compliance with Virginia Alcoholic Beverage Control Authority (Virginia ABC) regulations and the VWDC Operating Agreement. This policy ensures timely payment processing, minimizes financial risk, and maintains operational efficiency for all parties involved.

II. Scope

This policy applies to all transactions conducted through VWDC, including all agents, wineries, and retail licensees participating in the distribution of Virginia wines. It aligns with Virginia ABC regulations, the Virginia Administrative Code (3VAC5-30-30), and the VWDC Operating Agreement, specifically Exhibit 1, Section IV, E & F, which governs the handling and submission of transaction paperwork and payments.

III. Transaction Submission Requirements

Per the VWDC Operating Agreement and Virginia Administrative Code (3VAC5-30-30), all transaction paperwork must be processed as follows:

- Section IV, E: The agent must immediately send any checks collected, via U.S. mail to VWDC.
- Section IV, F: The paperwork must be postmarked within two (2) business days from the delivery date stated on the DWI. Failure to comply may result in delays in payment to the winery.
- Virginia Administrative Code (3VAC5-30-30, Sub Section A): Sales of wine or beer between wholesale and retail licensees of the authority shall be for cash paid and collected at the time of or prior to delivery, except where payment is to be made by electronic funds transfer as provided in this section. Each invoice covering such a sale or any other sale shall be signed by the purchaser at the time of delivery and shall specify the manner of payment.

- Virginia Administrative Code (3VAC5-30-30, Sub Section B): 'Cash,' as used in this section, shall include (i) legal tender of the United States, (ii) a money order issued by a duly licensed firm authorized to engage in such business in the Commonwealth, (iii) a valid check drawn upon a bank account in the name of the licensee or permittee or in the trade name of the licensee or permittee making the purchase, or (iv) an electronic funds transfer initiated by a wholesaler pursuant to subsection D of this section from a bank account in the name or trade name of the retail licensee making a purchase from a wholesaler or the authority.

IV. Management of Outstanding Invoices

To ensure timely resolution of outstanding invoices, VWDC will implement the following procedures:

1. Outstanding Status Notification: If an invoice remains unpaid for more than fifteen (15) calendar days from the delivery date on the DWI, the winery will receive a formal notification of the outstanding status.

2. Resolution Period: The winery will have an additional fifteen (15) calendar days to resolve the outstanding balance.

3. Escalation and Consequences: If the outstanding invoice is not resolved within thirty (30) calendar days:

- The winery may be subject to delayed future payments.
- VWDC reserves the right to suspend further transactions involving the non-compliant retail licensee until the outstanding balance is cleared.
- Continued non-compliance may result in termination of distribution privileges for the winery or the retail licensee as per VWDC's discretion and in accordance with Virginia ABC guidelines and the Virginia Administrative Code (3VAC5-30-30).

Version History		
Version	**Date**	**Change Summary**
1	3/11/2025	Policy adopted