



New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503  
Concord, N.H. 03302-0503  
(603) 230-7026

Joseph W. Mollica  
Chairman

Michael R. Milligan  
Deputy Commissioner

July 18, 2016

The Honorable Neal M. Kurk, Chairman  
Fiscal Committee of the General Court  
State House  
107 North Main Street  
Concord, New Hampshire 03301

Approved by Fiscal Committee Date 8/5/16

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Executive Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Pursuant to RSA 177:2 II, Closing of State Stores, the New Hampshire Liquor Commission respectfully request Fiscal Committee and Governor and Council approval of the Indirect Cost Allocation Plan for State Fiscal Year 2017. The Indirect Cost Allocation Plan reflects the operating expenses of each state store and the expenses of the Commission and then allocated to all state stores on a consistent, rational basis.

*II. In order to properly reflect the operating expenses of each state store, the commission shall prepare annually an indirect cost allocation plan for all indirect operating expenses of the commission. All such expenses of the commission, with the exception of the enforcement and licensing division operating expenses, shall be included in the plan and allocated to all state stores on a consistent, rational basis. No later than 30 days following the closure of any state liquor store, the commission shall submit a revised indirect cost allocation plan to the fiscal committee of the general court and the governor and council for approval.*

**EXPLANATION**

On June 20, 2016 the Liquor Commission closed State Liquor Store #46 located at 46 North Main Street, Ashland, New Hampshire which necessitates this request. Please accept the indirect cost plan for Fiscal Year 2017, based on Fiscal Year 2017 approved budget amounts. On a total budget \$62,751,282, the indirect cost amount to be allocation back to the liquors stores is \$7,505,606 which is allocated to the stores based on each stores percentage of total sales.

**STATE OF NEW HAMPSHIRE  
LIQUOR COMMISSION  
INDIRECT COST ALLOCATION PLAN - INDIRECT EXPENSES  
FISCAL YEAR ENDED JUNE 30, 2017**

<u>BUDGETARY OPERATING EXPENSES:</u>	<u>CLASSIFICATION</u>	<u>FY16 TOTAL</u>	<u>OPERATING POOL</u>	<u>INDIRECT POOL</u>	<u>UNALLOWABLE</u>
OFFICE OF THE COMMISSION	INDIRECT	\$973,299	NA	\$973,299	NA
INFORMATION TECHNOLOGY	INDIRECT	3,068,770	NA	3,068,770	NA
FINANCIAL ACCOUNTING	INDIRECT	2,774,648	NA	2,774,648	NA
HUMAN RESOURCES	INDIRECT	688,889	NA	688,889	NA
MARKETING AND MERCHANDISING	DIRECT	1,038,741	1,038,741	NA	NA
PURCHASING	DIRECT	71,579	71,579	NA	NA
STORE OPERATIONS - ALL STORES	BASE	46,907,152		NA	NA
ADVERTISING	DIRECT	2,300,000	2,300,000	NA	NA
WAREHOUSE AND TRANSPORTATION	DIRECT	410,642	410,642	NA	NA
ENFORCEMENT, LICENSING, EDUCATION & GRANTS	NOT ALLOWABLE	4,517,562	NA	NA	4,517,562
		\$62,751,282	\$3,820,962	\$7,505,606	\$4,517,562

**ALLOCATION PLAN FOR INDIRECT EXPENSES:**

Allocation for Stores indirect expenses (includes the following organizations - Commission, IT, Financial Accounting and Human Resources)  
Total of \$7,505,606 allocated to the 79 retail store locations based on their respective percentage contribution to total sales.

Respectfully Submitted,  
New Hampshire State Liquor Commission



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Joseph W. Mollica, Chairman