



New Hampshire Liquor Commission

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Joseph W. Mollica
Chairman

Michael R. Milligan
Deputy Commissioner

January 28, 2015

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

Signature: [Handwritten Signature]
Approved by Fiscal Committee
Date: 2/19/15

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 2015. 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. The indirect cost allocation plan for each fiscal year shall be submitted to the fiscal committee and the governor and council for approval, no later than 3 months before the start of each fiscal year.

EXPLANATION

Please accept the indirect cost plan for Fiscal Year 2015, based on Fiscal Year 2015 approved budget amounts. On a total budget \$52,019,695, the indirect cost amount to be allocation back to the liquors stores is \$6,009,671 which is allocated to the stores based on each stores percentage of total sales.

STATE OF NEW HAMPSHIRE
LIQUOR COMMISSION
INDIRECT COST ALLOCATION PLAN
FISCAL YEAR 2015

<u>BUDGETED OPERATIONAL EXPENSES:</u>	<u>CLASSIFICATION</u>	<u>FY15 TOTAL</u>	<u>OPERATING POOL</u>	<u>INDIRECT POOL</u>	<u>UNALLOWABLE</u>
OFFICE OF THE COMMISSION	INDIRECT	757,296	NA	757,296	NA
ENFORCEMENT, LICENSING, EDUCATION & GRANTS NOT ALLOWABLE	INDIRECT	4,665,717	NA	NA	4,665,717
INFORMATION TECHNOLOGY	INDIRECT	2,862,457	NA	2,862,457	NA
FINANCIAL ACCOUNTING	INDIRECT	2,043,550	NA	2,043,550	NA
MARKETING AND MERCHANDISING	DIRECT	979,286	979,286	NA	NA
PURCHASING	DIRECT	100,036	100,036	NA	NA
HUMAN RESOURCES	INDIRECT	346,368	NA	346,368	NA
STORE OPERATIONS - ALL STORES	BASE	37,803,551	NA	NA	NA
ADVERTISING	DIRECT	2,142,457	2,142,457	NA	NA
WAREHOUSE AND TRANSPORTATION	DIRECT	318,977	318,977	NA	NA
		\$ 52,019,695	\$ 3,540,756	\$ -6,009,671	\$ 4,665,717

ALLOCATION PLAN FOR INDIRECT EXPENSES:

Allocation for Stores - indirect expenses (includes the following organizations - Commission, IT, Financial Accounting and Human Resources)
Total of \$6,009,671 to each of the 77 retail store locations based on their respective percentage contribution to total sales.
Allocation to individual stores is based on each stores % of total sales.

Respectfully Submitted
New Hampshire State Liquor Commission



Joseph W. Mollica, Chairman