

What Do I Need To Know About

Food and Beverage Certificate (FB)

TABC wants your business to prosper. One part of your success is understanding how Texas law affects your business. We've designed this course to provide the basics of what you can and can't do with your business. This is a summary of your responsibilities and isn't meant to be an exhaustive list. Please see the <u>Alcoholic Beverage</u> <u>Code</u> (Code), <u>TABC Administrative Rules</u> (Rules) and our <u>Marketing Practices Advisories</u> for more details.

What is a Food and Beverage Certificate (FB)?

The Food and Beverage Certificate (FB) is an additional authority that is a subordinate to your primary permit. All on-premises retailers can become eligible for an FB.

By holding an FB, your business can be exempt from certain bond issuance requirements and located in areas that otherwise are dry for the type of alcohol you serve. To be eligible for the FB, your business must meet one of two requirements:

- (1) <u>Alcoholic beverage sales</u> cannot exceed 60% of your business's total gross receipts. For your initial opening, TABC relies on revenue forecasts you provide during the application process.
- (2) Designation as a "Restaurant." If you qualify as a restaurant, then you can qualify for the FB. The Alcoholic Beverage Code defines "restaurant" as a business that:
 - (A) operates its own permanent food service facility with commercial cooking equipment on its premises; and
 - (B) prepares and offers to sell multiple entrees for consumption on or off the premises.

What Are My Recordkeeping Requirements?

You must furnish the following, as well as any other information that might be deemed reasonably necessary by the commission to demonstrate qualifications for a Food and Beverage Certificate:

- A menu or, if no menu is available, a listing of the food and beverages, including prices, offered for sale.
- Hours of operation of food service and hours for the sale or service of alcoholic beverages. Food must be available at all times that alcohol is being served.
- Sales data or, if not available, a projection of sales which should include breakdown of food, alcoholic beverages and other major categories at the location.
- Listing of equipment used in the preparation and service of food, and
- Copies of floor plans of the licensed premise indicating areas devoted to preparation and service of food and those devoted primarily to the preparation and service of alcoholic beverages.

Failure to submit the documentation requested or to accurately maintain required records is prima facie evidence of non-compliance to hold a Food and Beverage Certificate. (See Rule 33.5)

What if My Business is in a Hotel?

If you operate a hotel that maintains separate areas for restaurants, lounges or bars, with separate permits, food service facilities must exist for each permitted premise.

- The holder shall maintain daily sales summaries that reflect separate totals for alcoholic beverage sales, food sales, and other major sales categories at the location.
- The holder shall also maintain purchase invoices for alcoholic beverages to be maintained by each vendor. These records must be retained for four years and be made available for inspection and review by any authorized representative of the commission.
- Food and Beverage Certificate holders are subject to audit by the agency.
- Failure to maintain required records will subject the primary permit to administrative sanctions.

Questions?
Please contact your local TABC office.

tabc.texas.gov/contact-us/