

UC Davis Policy and Procedure Manual

Chapter 350, Supplies and Equipment

Section 20, Procurement and Use of Tax-Free Alcohol

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Responsible Department: Materiel Management

Source Document: Business and Finance Bulletin BUS-2, Tax-Free Alcohol Permits, Records, and Operations

I. Purpose

This section summarizes the policy and procedures regarding the acquisition, use, storage, and control of tax-free alcohol for research purposes on campus, in compliance with applicable regulations of [Business and Finance Bulletin BUS-2](#) and [27CFR22](#). Procurement and use of tax-free alcohol at the UCD Medical Center is covered in UCDMC policy.

II. Policy

A. Responsibility

1. The Central Storehouse is responsible for the acquisition and issuance of tax-free alcohol to campus departments.
2. Each using department shall assign responsibility for control and issue of tax-free alcohol to no more than two persons. Department custodians shall maintain complete, accurate, up-to-date records of all tax-free alcohol received and issued.
3. Before a department purchases, uses, and stores tax-free alcohol, they must have a designated department alcohol custodian on file with Materiel Management.
4. Losses and claims must be reported in accordance with [BUS-2](#).

B. Distribution

1. Departments will not be issued quantities that exceed the stated monthly requirement for a given user (using department), and in no case will more than 25 gallons be issued to a user at any one time unless a Permit to Purchase Tax-Free Alcohol in Excess of 25 Gallons has been submitted and approved.
2. Tax-free alcohol shall be used only on the premises and not be transported to any location other than a University building of the campus.

C. Storage

1. The using department shall provide locked storage space of adequate size and construction to assure proper ventilation and in a suitable location.
 - a. Tax-free alcohol is a flammable liquid that must be stored in a flammable liquid storage cabinet as described in [Section 290-65](#).
 - b. It must be secured by a cylinder-type lock or a substantial padlock.
 - c. The hinges must be recessed when the door is closed, or the hinge pins must be altered in such a manner that they cannot be removed.
 - d. The key of this storage area must be in the sole possession of an authorized department custodian responsible for the control and issue of tax-free alcohol.
2. The [Conditions of Use of Tax-Free Alcohol](#) document shall be posted in a conspicuous place within the locked storage area.
3. Departments shall consult Fire Prevention Services on best practices and methods

concerning the storage of tax-free alcohol (see [Section 390-40](#)).

4. Tax-free alcohol not stored in its original container, and all compounds produced by laboratory procedures, must be identified and labeled (see [Section 290-65](#)).

D. Use

1. Tax-free alcohol shall be used only for scientific, medicinal, and mechanical purposes.
2. Under no circumstances may tax-free alcohol be used for beverage purposes, food products, or in any preparation used in preparing beverage or food products.
3. Departments are also prohibited from:
 - a. Selling tax-free alcohol to anyone, including another department.
 - b. Using tax-free alcohol in the manufacture of any product for sale.
 - c. Selling any products resulting from the use of tax-free alcohol.

III. Procedures

A. Authorization

1. To obtain authorization to purchase and use tax-free alcohol, the department must submit the [Tax-Free Alcohol Custodians](#) form, signed by the department chair and any proposed custodians (no more than two persons), to Materiel Management.
2. Materiel Management notifies the department of its authorization to purchase tax free alcohol.
3. To change custodial assignments, the department must submit the [Tax-Free Alcohol Custodians](#) form as specified in III.A.1, above.

B. Purchase

1. Tax-free alcohol is available in [UCD Buy](#) from the Central Storehouse catalogs.
2. Designated department custodians are the only persons authorized to sign the Storehouse receipt for tax-free alcohol. For this reason, designated custodians must pick up their orders, in person, at the Central Storehouse.

C. Effacing and disposal of tax-free alcohol containers

Effacing of all tax-free alcohol containers immediately after emptying is required by [27CFR22.33](#).

1. Alcohol containers must be empty and uncapped to allow all drops of alcohol to evaporate.
2. Department custodians must assure that each bottle, can, drum, and carton is effaced in such a manner as to remove all traces of information pertaining to the contents.
3. Department custodians must mark "EMPTY" on the containers.
4. Empty metal containers can be put in the green recycling bins with other aluminum cans.

D. Record keeping

1. The designated department custodian must keep a record of receipts and disbursements on the [Alcohol Stock Control Custodian's Inventory Records](#) or a similar form.
2. Records shall specify:
 - a. The name of the department, last three numbers of the Storehouse Catalog

Number, the concentration (95 or 100%), the unit of use (pint or gallon), the quantity of tax-free alcohol received (documented by a Central Storehouse purchase); and date of receipt.

- b. The purpose, amount and date of withdrawals the signature of the department employee to whom it was issued, the balance on hand after each transaction, and the signature of the department custodian.
3. Every transaction shall be recorded the same day it takes place.
4. All records shall be maintained at the permit premises for a period of not less than three years.

IV. Further Information

- A. Additional information is available from the Central Storehouse (530) 752-2077, <http://materiel.ucdavis.edu/storehouse/about.cfm?opt=1>; or Materiel Management, (530) 752-0370, <http://materiel.ucdavis.edu/about/index.cfm?opt=4>.
- B. Contact Fire Prevention Services at (530) 752- 2059, <http://safetyervices.ucdavis.edu>

V. References and Related Policies

- A. Business and Finance Bulletin BUS-2, Tax-Free Alcohol Permits, Records, and Operations, (<http://policy.ucop.edu/doc/3220474>).
- B. US Code of Federal Regulations, Title 27, Chapter 1, Part 22, Distribution and Use of Tax-Free Alcohol (http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=3e3f763571dfee300b9071df40a29ee3&tpl=/ecfrbrowse/Title27/27cfr22_main_02.tpl).
- C. DA 0124, Delegation of Authority—To Sign Documents in Connection with the Procurement and Use of Tax-Free Alcohol (<http://manuals.ucdavis.edu/PublicSearch.aspx>).
- D. UCD Policy and Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):
 1. Section 290-65, Hazardous Chemical Use, Storage, Transportation, and Disposal.
 2. Section 390-40, Fire Safety.