

## Management Agreements

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From time to time licensees, who are unable to be in full time control of their licensed establishments, enter into management agreements with someone to manage these facilities.

These arguments must, in fact, be an agreement to manage on behalf of the licensee and not lease agreement where the beneficial ownership of the licence moves from the licensee to the manager.

While there are many points that would normally be included in a management agreement, the licensee and the manager make the final decision with respect to the content of any management agreement. Notwithstanding the above from the perspective of the Yukon Liquor Act and Regulations there are certain items which have to be included in any management agreement, these are.

- the agreement has to be between the licence holder (name on the actual licence) and an individual person as the manager and not between a licensee and a corporation.
- The manager has to be acting as an agent of the licensee in all matters relating to the operation of the business (liquor licences) and not just an agent in matters relating to the Yukon Liquor Act.
- The staff hired to work in that licensed establishment are employees of the licensee and not employees of the manager.

- If there is a financial arrangement in place between the manager and the licensee then the licence will pay the manager and not the manager pay the licensee.
- The income derived from the operation of the licence is income of the licensee and not income of the Manager.
- The Manager is to be paid by way of a payment from the licensee to the manager.
- Alcoholic beverages sold under any licence must be purchased from YLC through the use of a T15 and not purchased directly from the retail liquor store(s) without the use of T15 form.

Alcoholic product purchased from YLC under a particular licence must be paid for by that licensee, the payment may be delivered by the manager/agent but must originate from the licensee. If the licensee is eligible to pay by cheque then that cheque should be drawn on a bank account which is under the control of the licensee and in the same name as the name of the licensee on the liquor licence.

The licensee and manager should also take care to ensure that the management agreement does not contain conditions that would encourage the over service of alcoholic products.