

STRATEGIC LEAN PROJECT REPORT

FOR THE JULY 1 THROUGH DECEMBER 31, 2016 REPORTING PERIOD

I. General Information:

Lead agency name: Liquor and Cannabis Board

Improvement project title: In Person Marijuana Tax Payments

Date improvement project was initiated: 2/1/2016

Project type: Type of project.

Project is directly connected to:

- Results Washington performance measure
- Agency Strategic Plan
- Other

If applicable, specify the alignment:

Reduce the number of licensees paying in cash

Report reviewed and approved by: Jim Morgan

II. Project Summary:

The Liquor and Cannabis Board improved the processing of marijuana excise tax by limiting the payment types and therefore reducing the number of cash payments from 27% in February 2016 to 7% in December 2016.

III. Project Details:

Identify the problem:	To ensure public safety, we want to limit the number of Marijuana licensees that are paying their tax obligations in the lobby of our Headquarters building.
Problem statement:	Currently, 27.4% of the MJ retail licensees are paying by cash in our lobby compared to our target of 0%, which we want to reach by 12/1/2016.
Improvement description:	We updated WAC 314-55-089 to include the requirements to pay by check, cashier check, money order or electronic payment or electronic funds transfer and provided a temporary cash waiver for those licensees that are unable to secure a bank account.
Customer involvement:	Three customer surveys were completed to determine why licensees were paying by cash vs. other payment methods.

IV. Impact to Washingtonians:

We have been able to reduce the number and amount of cash payments received by LCB in our headquarters building from \$3.9M in January 2016 to \$1.3M in December 2016 and the number of cash appointments from 71 in January 2016 to 26 in December 2016.

In addition, we have noticed that licensees are utilizing ACH / electronic payments which are more secure for both the licensee and LCB and reduce handling and processing of checks, money orders and cashier checks by our staff.

V. Project Results:

Improved process as measured by: <i>(Click those that apply)</i>	Specific results achieved: <i>(Complete the narrative boxes below)</i>	Total Impact: <i>(Actuals; Current Reporting Period)</i>	Results status:
<input checked="" type="checkbox"/> Safety	Avoided risk of theft or loss of cash by reducing the percentages of licensees paying in cash from 27% to 7% .	Actuals	Preliminary
<input checked="" type="checkbox"/> Time	Decreased number of licensee payments from 71 to 26	Because of the WAC change, we were able reduce the amount of time spent processing cash payments	Preliminary

VI. Contact information:

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VII. Optional Visuals:

Payment Types (number of licensees)				Payment Types (number of licensees)			
Values				Values			
Month	iY	CHECK / MONEY ORDER /CASHIER		Month	iY	% PAID CHECK / MONEY ORDER	
		EPAY Total	CASH Total			% PAID EPAY	% PAID BY CASH
January-16		88	71	January-16		27.41%	22.12%
February-16		82	77	February-16		29.18%	27.40%
March-16		99	79	March-16		31.33%	25.00%
April-16		109	64	April-16		34.94%	20.51%
May-16		129	66	May-16		37.18%	19.02%
June-16		140	58	June-16		43.75%	18.13%
July-16		168	29	July-16		50.00%	8.63%
August-16		183	35	August-16		47.41%	9.07%
September-16		205	33	September-16		54.81%	8.82%
October-16		180	28	October-16		53.41%	8.31%
November-16		208	27	November-16		60.64%	7.87%
December-16		225	26	December-16		60.65%	7.01%