



ADVISORY NOTICE NO. 2

**REGULATION AMENDMENT
JULY 11, 1990**

TO: All Breweries, Distributors and Importing Distributors

Pennsylvania Liquor Control Board Regulations (Title 40, PA Code, Sections 9.101 and 9.107) related to record keeping and reporting requirements for Distributors and Importing Distributors have been amended effective June 23, 1990. The regulations have been changed to clarify and update on-premises record keeping requirements and to eliminate monthly reporting requirements to the Pennsylvania Liquor Control Board.

The major changes affecting operations by Distributors and Importing Distributors are as follows:

1. A regulatory provision has been added to provide that electronic record keeping may be utilized as an alternative to hard copy records so long as any such electronic record keeping system covers in detail all transactions as required by Sections 9.101 through 9.107 of the regulations.
2. The regulatory requirement for submission of monthly reports of operations to the Pennsylvania Liquor Control Board has been rescinded. Therefore, licensees should discontinue transmission of these reports to the Board. NOTE: ALTHOUGH THE REQUIREMENT FOR FILING MONTHLY REPORTS WITH THE PENNSYLVANIA LIQUOR CONTROL BOARD HAS BEEN ELIMINATED, PENNSYLVANIA DEPARTMENT OF REVENUE REPORTING REQUIREMENTS REMAIN IN EFFECT AND LICENSEES MUST CONTINUE TO FILE MONTHLY REPORTS WITH THAT DEPARTMENT.

A copy of the pertinent sections of the regulations, including these changes, is enclosed. As these revised regulations are now in effect, licensees are advised to administer their operations accordingly.

Sincerely,

A handwritten signature in black ink that reads 'John D.W. Reiley'. The signature is written in a cursive, flowing style.

JOHN D.W. REILEY
Secretary to the Board

Sec. 9.101. Records to be maintained.

A distributor and importing distributor shall maintain and keep on the licensed premises, in hard copy or electronic media, complete and truthful records in columnar form or other compatible configuration consistent with generally accepted accounting procedures, covering in detail transactions in malt or brewed beverages and other items, particularly items described in Secs. 9.102—9.107 for a period of at least 2 years under section 493(12) of the Liquor Code (47 P. S. Sec. 4-493(12)). The records shall be open to inspection by authorized representatives of the Board and the State Police, Bureau of Liquor Control Enforcement, under sections 211 and 493(21) of the Liquor Code (47 P. S. Secs. 2-211 and 4-493(21)). A record system utilized by the licensee shall have the capability to provide for the reconciling of required data. Entries shall be verifiable by supporting documentation — original documents. Records shall be clearly identifiable to the licensed operation.

Sec. 9.102. Purchase register.

Purchases of malt or brewed beverages shall be entered in a purchase register. The register shall show the date of the purchase, invoice number and source of the purchase, covering both cooperage and case goods. The cost of malt or brewed beverages shall be shown separately from any deposits paid on case goods and refund obtained for the return of empty containers. The net cost of invoices shall be shown and the register shall be totaled each day with the daily unit totals carried to the purchase column in the perpetual inventory record. The daily totals shall be accumulated into a monthly total.

Sec. 9.103. Sales register.

Sales of malt or brewed beverages shall be entered in a sales register. The selling price of the beverages shall be shown separately from deposits charged on case goods and the credit allowed for the return of empty containers. The net selling price of invoices shall be shown and the register shall be totaled each day with the daily unit totals carried to the sales column in the perpetual inventory record. The daily totals shall be accumulated into a monthly total. The sales register shall be maintained by either of the following methods:

- (1) The required information may be accumulated each day on a summary sheet with a daily posting to the sales register. The summary sheet shall act as a face sheet and be permanently fastened to each daily group of sales invoices. Sales invoices together with their attached face sheets shall be filed chronologically and be maintained for 2 years.
- (2) Sales invoice may be posted to the sales register showing date, invoice number, value of the malt or brewed beverages, deposits collected and refunded, the net cost to the customer and the name and address of the recipient of the beverages.

Sec. 9.104. Perpetual inventory record.

- (a) A perpetual inventory record shall be maintained for inventory control purposes of all stock of malt or brewed beverages. The record is the control of stock on hand and shall be used in compiling figures for the monthly report. The record shall:
 - (1) Be separated according to container size (such as full barrels or half-barrels, cases of pints, quarts, cans, splits, etc.).
 - (2) Show the number of units of each size on hand at the beginning of each business day.

- (3) Show the total units purchased as shown on the purchase register and the total units sold as shown on the sales register for each business day.
 - (4) Show the closing inventory of each size and the reconciliation of the inventory with the physical inventory of stock on hand in the warehouse.
- (b) The daily totals of the purchase and sales columns shall be totaled monthly.

Sec. 9.105. Cash receipts and disbursements book.

- (a) A cash receipts and disbursements book shall show the details of monies received and expended in the operation of the licensed business each day.
- (b) Receipts covering income from the sale of malt or brewed beverages, soft drinks, other merchandise, loans and other sources shall be entered in detail.
- (c) Expenditures covering payments for malt or brewed beverages, soft drinks, other merchandise, salaries and wages, truck expenses, rent, heat, light, taxes, insurance, license fees, advertising, sales expenses, repairs and maintenance of equipment and premises, interest, personal withdrawals and other expenses shall be entered in detail.
- (d) The cash receipts and disbursements book shall be totaled and reconciled with bank account and cash on hand at the close of business each month.

Sec. 9.106. Sales invoices.

- (a) Except as otherwise provided in this section, sales invoices shall be prepared at the licensed premises for each sale prior to delivery.
- (b) Sales invoices shall be imprinted or affixed with the name and address of the distributor or importing distributor and shall show the name and address of the recipient of the merchandise, date of sale, number of units, size and type of package, brand name, selling price of the malt or brewed beverages and the net cost to the customer. The deposits charged and refunded for containers, and Commonwealth sales tax, where applicable, shall be shown as separate entries.
- (c) The name and address of private individuals is not required on sales invoices covering cash and carry sales made at the place of business of the licensee, when the individual sales are for quantities of three cases or less, each case containing bottles or cans of not more than a 32 fluid ounce capacity, or for quantities of three containers or less of 128, 144 or 288 fluid ounce capacity, or a combination of the cases or containers, in the quantities specified. In lieu of preparing sales invoices for the cash and carry sales, these transactions may be entered individually on a counter sheet maintained in columnar form showing the information required on sales invoices other than name and address of the purchaser. This counter sheet shall be totaled daily and the totals entered into the sales register.
- (d) Sales invoices may be changed en route only to increase or decrease the customer's original order.
- (e) The sale of other Board-approved commodities may be included on a sales invoice if the sale of malt beverages is listed separately from other merchandise sold by the licensee.

(f) One copy of each sales invoice shall be given to the recipient of the merchandise.

Sec. 9.107. Federal and State government reports and forms.

Copies of reports or forms required by Federal or State governmental agencies related to the licensed operation shall be maintained for a period of 2 years unless required to be maintained for a longer period by the Federal or State agencies. The reports and forms shall constitute a satisfactory record if they contain the information required by this subchapter