



TABC

TEXAS ALCOHOLIC BEVERAGE COMMISSION

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March 26, 2010

MARKETING PRACTICES BULLETIN – MPB 037

**Retention of Required Records and Information by Digital Storage Format
for Wholesalers, Distributors and Manufacturers**

TO: ALCOHOLIC BEVERAGE INDUSTRY MEMBERS

The Texas Alcoholic Beverage Commission has received numerous requests from alcoholic beverage industry members to allow for the retention of digital files rather than hard copies in order to satisfy Texas statute and administrative rule record keeping requirements.

I. FOR ALL DISTRIBUTOR/WHOLESALE AND MANUFACTURER TIER MEMBERS of the Alcoholic Beverage Industry

1. We will interpret the meaning of “well bound book” as referred to in §41.23 of the TABC Administrative Rules for all retailer, distributor/wholesaler and manufacturer tier members to include a digital storage format if such format is capable of storing the required information and records as if in a “well bound book.”
2. Any digital storage format system used must meet all current record keeping requirements including but not limited to §206.01 of the Code and §41.23 of Rules.
3. All records stored in a digital format must be capable of transfer to a paper medium and be made available on the licensee premises to the commission during normal business hours.
4. We highly recommend a backup process to ensure files stored on a digital storage format are not lost or damaged due to any system or electronic failures. Should **required** files not be accessible upon request for any reason, permit holders can be subject to notice of violation and possible civil penalty.

II. FOR ALL RETAIL TIER MEMBERS of the Alcoholic Beverage Industry

A. Mixed Beverage Permits (MB & RM)

1. This bulletin serves as the approval required under §5.51 of the Code to all holders of a Mixed Beverage (MB) and Mixed Beverage with Food Beverage Certificate (RM) necessary to retain all records mandated by the Code and Rules in a digital storage format.
2. All digital records must be capable of transfer to a paper medium and must be made available to the commission on the licenses premises during normal business hours.

B. Private Club Permits (N)

This bulletin does **NOT** grant approval to Private Club Permits (N) to retain digital copies of their records without first filing a Form C-27. Private Club Permits must continue to request permission to utilize a machine bookkeeping system under §5.51 of the Code **PRIOR** to implanting such system. Form C-27 (attached).

C. All Other Retailers (BG, BQ, BF, BE, P, Q)

1. All other holders of a retail permit or license (other than Private Club (N) and Mixed Beverage (MB, RM) Permits) are allowed to store records required in the Code and Rules in a digital storage format without first seeking approval from this agency.
2. All required records must be capable of transfer to a paper medium and must be made available to the commission on the licensed premises during normal business hours.

**ALL REQUIRED RECORDS MUST CONTINUE TO BE MAINTAINED
BY A HOLDER OF A PERMIT OR LICENSE AND
MADE AVAILABLE TO THE COMMISSION
UPON REASONABLE REQUEST.**

**IF THERE IS NOT A BACKUP PROCESS TO ENSURE FILES
STORED ON A DIGITAL STORAGE FORMAT ARE NOT LOST OR DAMAGED
DUE TO ANY SYSTEM OR ELECTRONIC FAILURES,
AND REQUIRED FILES ARE NOT ACCESSIBLE UPON REQUEST,
PERMIT OR LICENSE HOLDERS CAN BE SUBJECT TO
NOTICE OF VIOLATION AND SANCTION.**

TABC Administrative Rules

§41.23. Basic General Records Required.

(a) It shall be unlawful for any brewer, distiller, class A or class B winery, rectifier, wholesaler, class B wholesaler, package store, medicinal permittee, industrial permittee, wine bottler, beer manufacturer, or beer distributor to fail or refuse to keep at each place of business in Texas, for a period of two years, for the inspection at all times of the commission or its authorized representatives, a complete record of all alcoholic beverages manufactured, distilled, purchased, received, blended or bottled, including all invoices, bills of lading, way bills, freight bills, express receipts, and all other shipping records furnished by the carrier and the seller or shipper of said alcoholic beverages; and in addition thereto, **a book record in a well bound book** which will provide complete information of all alcoholic beverages manufactured, purchased, or received, the name and address of the person from whom purchased and from whom received, the point from which shipped or delivered, the point at which received, the quantity and kind of beverage received, and inventories on the last day of each month, showing the quantity and kind of beverage on hand. The inventories herein required shall not apply to package store permittees. Wine and beer retailers other than for railroad cars shall be required to keep the records only as to wine purchases.

Texas Alcoholic Beverage Code

§5.51. BOOKKEEPING RECORDS. A permittee who holds a permit issued under Chapters 28 through 33 of this code may elect to keep all records required under this code on a machine bookkeeping system. A permittee who desires to use such a system must submit a written application for commission approval of the system before implementing the system. The commission may authorize a permittee to centralize the permittee's records.

Sec. 206.01. RECORDS. (a) A permittee who distills, rectifies, manufacturers, or receives any liquor shall make and keep a record of each day's production or receipt of liquor and the amount of tax stamps purchased by the permittee. A permittee other than a retailer shall make and keep a record of each sale of liquor and to whom the sale is made. Each transaction shall be entered on the day it occurs. Permittees shall make and keep any other records required by the commission. All required records shall be kept available for inspection by the commission or its authorized representatives for at least four years. All required records may be retained ***in electronic or microfiche formats and may be retained on or off the premises of the permittee, consistent with the requirements of this section.***

(Continued)

(b) No person may fail or refuse to make and retain for at least four years any record required by this section.

(c) No person may fail or refuse to keep any record required by this section open for inspection by the commission or its duly authorized representatives during reasonable office hours.

(d) No person may knowingly, with intent to defraud, make or cause to be made any false entry in any record required by this section or with like intent, alter or cause to be altered any item in one of those records.

The commission will continue to monitor this issue and make necessary regulatory changes as statutorily applicable. We hope this bulletin will assist you in your endeavors. If you would like additional information or have questions regarding this bulletin, you may contact me in writing at P.O. Box 13127, Austin, TX 78711, by email at marketing.practices@tabc.state.tx.us, by phone at 512-206-3411 or by facsimile at 512-206-3349.

Sincerely,



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