

February 25, 2014

Telephone: (717) 783-9454

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Alan Chapel  
Allegheny Cellars Winery  
4772 Route 6  
Sheffield, PA 16347

**Re: Limited Winery Recordkeeping**

Dear Mr. Chapel:

ISSUE: This is in response to your letter received in this office on January 27, 2014, regarding the recordkeeping requirements for limited wineries. You have been told by other winery owners that you must keep a separate log sheet of all sales of twelve (12) or more seven hundred fifty milliliters (750 ml) bottles of wine, whether to private individuals or otherwise. You have been further advised that such records must show the name and address of the purchasers, the quantity of bottles purchased, and must show daily and weekly tallied numbers. You cannot find the authority for keeping such records in the Liquor Code and the Board's Regulations and, therefore, you ask if you must keep such records.

Furthermore, you have read section 5.103(b)(2) of the Board's Regulations, which provides that only sales quantities of more than sixteen (16) liters must be recorded with the name of the private individual purchaser on the sales invoice or on a separate "counter sheet." You believe section 5.103(b)(2) is referring to a cash register type of system that is not capable of producing a sales invoice with all of the required information; therefore a log sheet or "counter sheet" would need to be maintained separately. You ask for confirmation that your understanding is correct.

Finally, you ask if your electronic system (QuickBooks Software), used in conjunction with a cash box, would satisfy the requirements of Board Regulation section 5.103(b)(2). You advise that QuickBooks prints and saves a sales receipt for every sales transaction. The receipt includes all of the information required by section 5.103(b)(2), and each sales receipt is uniquely numbered in ascending order. In the event that you are requested to produce information regarding your sales, QuickBooks allows you to prepare a sales report for any time period.

Records of the Pennsylvania Liquor Control Board (“Board”) indicate that Alan Leroy Chapel, trading as Allegheny Cellars Winery, holds Limited Winery License No. LK-225 for the premises at 4772 Route 6, Sheffield, Pennsylvania.

OPINION: Section 512 of the Liquor Code states in pertinent part:

Every [limited winery licensee] shall keep on the licensed premises daily permanent records which shall show, (a) the quantities of any alcohol or liquor manufactured, produced, distilled, developed, denatured, redistilled, recovered, reused, stored in bond, stored as bailee for hire, received or used in the process of manufacture by [the licensee], and of all other material used in manufacturing or developing any alcohol or liquor; (b) the sales or other disposition of any alcohol, liquor or malt or brewed beverages if covered by said license; (c) the quantities thereof, if any, stored in bond, stored for hire, or transported for hire by or for the licensee; and (d) the names and addresses of the purchasers or other recipients thereof . . . .

[47 P.S. § 5-512]. Such records are to be kept on the licensed premises, subject to inspection by the Board “for the purpose of ascertaining the correctness of the records required . . . to be kept by licensees.” [47 P.S. § 5-513].

As you are aware, section 5.103(b)(2) of the Board’s Regulations provides more detail about record-keeping for limited wineries, and that regulation states, in pertinent part:

(b) *Sales invoice.* In addition to the records prescribed in subsection (a), except as otherwise provided in this part, a sales invoice shall be prepared at the licensed premises for each sale. The sales invoice shall be prepared in accordance with the following:

- (1) The sales invoice shall be imprinted or affixed with the name and address of the limited winery.
- (2) The sales invoice 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 wine and the net cost to the customer. **The name and address of private individuals is not required on sales invoices covering quantities of 16 liters or less;** in lieu of preparing sales invoices for the sales, the 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. **The counter sheet shall be totaled**

**daily** and the totals entered into the sales register noted in section 512 of the Liquor Code (47 P.S. § 5-512).

[40 Pa. Code § 5.103(b)(2) (emphasis added)]. There is no requirement that a limited winery must record sales of twelve (12) or more bottles. As you can see, the threshold quantity for recording sales is any amount greater than sixteen (16) liters. Daily totals should be recorded, but it is not necessary to keep separate weekly tallies.

The Board's Regulations provide that electronic media record keeping, maintained and based upon generally accepted accounting principles, shall be permitted in lieu of hard copy records. [40 Pa. Code § 5.103(a)]. Therefore, as long as the information captured in your QuickBooks system satisfies the requirements of section 5.103(b)(2), it is acceptable for you to use this system instead of keeping a manual record.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

FAITH S. DIEHL  
CHIEF COUNSEL

cc: Pennsylvania State Police,  
Bureau of Liquor Control Enforcement  
Jerry W. Waters, Director of Office of Regulatory Affairs  
Tisha Albert, Director, Bureau of Licensing  
Jeffrey Lawrence, Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 14-042