

March 15, 1999

Mr. Allan J. Becker
Business Secretary
CONCORDIA SOCIETY
820 Second Avenue
Altoona, PA 16602

Dear Mr. Becker:

ISSUE: This is in response to your faxed letter of February 12, 1999 to this office in which you ask for our opinion concerning two matters that involve your club. As the holder of a catering club license, your club is aware that it must keep records on catered events held at the club. Your question concerns whether this requirement includes keeping records on your premises for the catering business that is actually doing the catering. Apparently, you have an outside company which caters functions for different organizations on your licensed premises. During a recent investigation, the Bureau of Liquor Control Enforcement apparently indicated to you that those records (invoices for food and other purchases) must be kept on your premises.

You also are aware that you must keep statements, invoices and receipts for the operation of your club to track your business operations. You ask if that would necessitate the keeping of the stub portion of an electric bill stamped paid, or any other utility bill, whether paid or not, since you pay by check.

OPINION: Because your letter indicates that the Bureau of Liquor Control Enforcement conducted a recent audit of your club records and apparently found some problems, we cannot comment on matters that might be involved in an open investigation. However, for your information, the recordkeeping rules for clubs are found mainly in section 102 of the Liquor Code [47 P.S. §1-102] and sections 5.71-5.75 of the Board's Regulations [40 Pa. Code §§5.71-5.75], which I am enclosing for your use. Generally, as licensees of the Board, your club must keep on the licensed premises, for a period of at least two years, complete and truthful records covering the operation of the licensed business. These records shall include the date and actual price of all liquor and malt or brewed beverages purchased, the name of the vendor of malt or brewed beverages and all liquor store receipts. Records covering the purchase and sale of food must be maintained separately from those of alcoholic beverages. Records shall be available for inspection by authorized employees of the Board at any time during business hours.

Club licensees are required by Board regulation to maintain certain prescribed books of permanent record containing the following:

1. Membership Record.

A complete individual record shall be maintained for each member showing the date of application of the proposed member, the name of the sponsor, the date of admission after election and the date and amount of initiation fees and dues paid. This record shall be either on a ruled form or a card index, which shall carry at the top the name and address of the member and the serial number of the membership card issued. Dues for each month shall be totaled and posted to the proper column in the income account. When members are dropped or resign, their cards shall be removed from the active file and placed in the inactive file for two years.

2. Income Account.

A record in columnar form shall be posted currently showing all income separated into dues, income from malt or brewed beverages and liquor, income from food, and other items of income. This account shall be totaled each month and used when the bank account is reconciled by the Treasurer. The total entries under "Dues" should balance with the number of members active in the club.

3. Expenditures.

A record in columnar form shall be posted currently showing all expenditures separated into payments for malt or brewed beverages, liquor, food, payroll, entertainment, rent, heat, light, water, equipment, and details of all other expenditures. This record shall be balanced each month with the bank account and the Treasurer's records. Every expenditure shall be supported by delivery tickets, invoices, receipted bills, cancelled checks, petty cash vouchers or other sustaining data or memoranda.

4. Control Account.

A bank or cash account showing all income and expenditures must be maintained as control on the income and disbursements records. This account shall be balanced each month by the Treasurer and proper record made in the minutes of the Secretary.

5. Minute Book.

A minute book must be maintained of all regular and special meetings recorded currently by the Secretary. It shall show the names and dates of applicants for membership, the results of balloting and dates the members were admitted. The minute book shall record the financial reports of the Treasurer, all bills approved for payment,

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the reason therefor and the amounts involved. It shall record all parties, banquets, socials, etc., given the members free of charge and the costs involved. It shall show all elections and appointments of officers and committees and the term for which they are elected, together with all customary entries in a record of this nature.

In addition, the following documents and records must be maintained on the licensed premises at all times:

- ❖ Photostatic or certified copy of the charter, if incorporated.
- ❖ Copy of the Constitution.
- ❖ Copy of the Bylaws.
- ❖ All invoices and receipted bills covering purchases made by officers of the club for the benefit of the club.
- ❖ Prescribed books of record and membership lists.

All of these required records shall be maintained in the English language and shall be available for inspection by authorized employees of the Board or the Pennsylvania State Police, Bureau of Liquor Control Enforcement, at any time during business hours.

Further, catering club licensees must maintain a club record showing the date and time catering arrangements were made, the name of the persons or organization making the arrangements and the approximate number of persons to be accommodated.

Because your letter indicates that an outside catering company is involved, you should also be familiar with the rules involving food concessioning and catering. Besides the rules mentioned above, section 5.82(c) of the Board's Regulations [40 Pa. Code §5.82(c)] requires that records covering operations of the concession must be maintained for two years on the licensed premises, and must show the cost of food, supported by invoices; receipts from sale of food supported by cash register tape or guest checks; rental paid for the privilege and equipment used; the name, address, social security number and salary paid to each employee; and other expenditures. I am also enclosing sections 5.82 and 5.83 of the Board's Regulations for your further information.

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

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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

Enclosures

c.c. Pennsylvania State Police
Bureau of Liquor Control Enforcement

Refer to: (717) 783-9454
FAX: (717) 787-8820

LCB Advisory Opinion No. 99-088