**Section 1232.100 Electronic-based Recordkeeping**

a) *On or before January 2, 2020, each certified licensee operating a retail location shall implement a* searchable *electronic record system to track its changing inventory by updating the* date a firearm was received or sold, the name and address or the name and FOID card number of the person from whom the firearm was received or sold, the name of the manufacturer and importer (if known), *make, model, caliber or gauge, and serial number of each firearm that it receives or sells.* (Section 5-65 of the Act)

b) The electronic record system must permit inventory queries by firearm serial number, acquisition date of the firearm, name of the manufacturer or importer, name of the purchaser, address of the purchaser or other transferee, and ATF Form 4473 transferor's transaction serial number. Use of commonly recognized trade names or abbreviations are acceptable when denoting manufacturer or importer.

c) The electronic record system must denote original entries and must track or include notations of any edits, corrections, amendments or current transactions.

d) The electronic record system must be able to present the necessary information in any column format and may include a notes column to track any edits, corrections, amendments, or other relevant information related to a transaction. If a spreadsheet program (e.g., Excel) is being utilized, the system must be able to track any edits, corrections, amendments, or other relevant information in a "notes" column that explains any changes that were made to the original entries.

e) The electronic record system must be backed up to a physical storage device separate from the primary system (e.g., hard drive, Compact Disc (CD), Digital Versatile Disc (DVD), or Universal Serial Bus (USB) Flash Drive) at the licensee's business premises.

f) The electronic record system may be stored on a computer server or physical storage device owned and operated by the licensee, or contracted/leased by the licensee through a host facility such as a remote server or cloud storage provider. The electronic record system must be readily accessible through a computer server or device owned and operated by the licensee at the licensed premises during regular business hours. If a host facility is used, that facility must have a business premises within the United States and its territories and be subject to U.S. legal process.

g) The electronic record system must have the capacity to provide records in print or by another portable medium (e.g., hard drive, CD, DVD, or USB Flash Drive), or may be transmitted to ISP by electronic means such as an attachment to email:

1) at least semiannually;

2) upon request by ISP when required by law;

3) when the system memory is purged;

4) when the license is terminated; and

5) sequentially by date of acquisition for all inventory and indicating the date of all sales of inventory conducted during the period covered.

h) The electronic record system must be able to record both the manufacturer and the importer for foreign-made firearms.

i) Each licensee operating as a licensed dealer must maintain its firearms acquisition and disposition records in a manner that allows those records to be separated and partitioned from other business related records.

j) The electronic record system must be self-contained, without reliance upon invoices or other paper/manual systems to provide any of the above information.

k) *Retail sales and purchases shall be recorded within 24 hours after the transaction. Shipments of firearms from manufacturers or wholesalers shall be recorded upon the earlier of five business days or within 24 hours after the shipment is unpacked and the firearm placed in inventory.* (Section 5-65 of the Act)

l) *A certified licensee shall make a legible copy of a buyer's or transferee's valid photo identification card whenever a firearm sale transaction takes place. The photocopy shall be attached to the documentation detailing the record of sale.* (Section 5-20(a) of the Act)

m) *Each certified licensee shall maintain these records for a period of no less than the time period under 27 CFR 478.129 or any subsequent law that regulates the retention of records.* (Section 5-65 of the Act)

n) Alternate Method of Record Keeping

1) Certified licensees may seek ISP approval to use an alternate, non-electronic method or procedure to record the acquisition and disposition of firearms when it is shown by the licensee that the alternate records will accurately and readily disclose the information required to be maintained. The alternate records must be legible even if scanned and must be easily uploaded to a PDF format. The amount of transactions recorded must assure that review of the alternate records will not impose an undue burden on ISP.

2) The Director may approve an alternate method or procedure when he or she finds that:

A) good cause is shown for the use of the alternate method or procedure;

B) the alternate method or procedure comports with the purpose and is consistent with the effect intended by the specifically prescribed method or procedure, and that the alternate method or procedure is substantially equivalent to that specifically prescribed method or procedure; and

C) the alternate method or procedure will not be contrary to any provision of law and will not result in an increase in cost to the State or hinder the effective administration of the Act.

o) Any electronic or alternate record keeping system compliant with ATF regulationsthat accurately records the information required to be maintained by this Section is sufficient for satisfying the requirements of Section 5-65 of the Act.