

251.370 Licensees using paper documents or electronic documents -- Business records required -- Retention schedule -- Accounting functions -- Financial statements -- Administrative regulations.

- (1) A licensee using paper scale tickets, settlement sheets, or purchase contracts shall comply with the following requirements:
 - (a) Documents shall be pre-numbered sequentially; and
 - (b) Settlement sheet information shall be cross-referenced with scale tickets.
- (2) A licensee using electronic scale tickets, settlement sheets, purchase contracts, or other documents shall conform to the formats and procedures required by the department.
- (3) A licensee shall provide, and make available to the department or the board, a complete and accurate set of business records, including:
 - (a) Records of all transactions, including records and accounts of all grains received and withdrawn or delivered;
 - (b) Records, filed in numerical order, of all scale tickets, warehouse receipts, and settlement sheets that have been issued, voiced, or lost; and
 - (c) Copies of contracts for the sale or storage of grain.
- (4) A licensee shall retain its business records for a minimum of four (4) years.
- (5) A licensed grain warehouse operator shall retain copies, either digitally or on paper, of warehouse receipts or other documents evidencing ownership of any grain, or any liability of the grain warehouse operator, so long as such documents evidence a valid ownership interest or debt. A licensee shall retain copies of such documents for a period of not less than four (4) years from the date when the ownership interest or debt was extinguished.
- (6) A licensee's accounting functions shall be performed in conformity with generally accepted accounting principles.
- (7) A licensee's business records shall accurately identify any liens or encumbrances on grain that is held or owned by the licensee.
- (8) Upon request by the board, a licensee or applicant for a license shall provide to the department either:
 - (a) A review engagement report issued by an independent certified public accountant stating whether, based on the review, he or she is aware of any material modifications that should be made to the financial statements in order for them to be in accordance with the applicable reporting framework; or
 - (b) An audit and written report issued by an independent certified public accountant expressing an opinion whether the financial statements are presented fairly, in all material aspects, in accordance with the applicable financial reporting framework.
- (9) The board, in conjunction with the department, shall have authority to promulgate administrative regulations setting forth additional recordkeeping requirements for licensees.

Effective: July 15, 2020

History: Amended 2020 Ky. Acts ch. 114, sec. 1, effective July 15, 2020. -- Created 2019 Ky. Acts ch. 88, sec. 10, effective August 1, 2019.