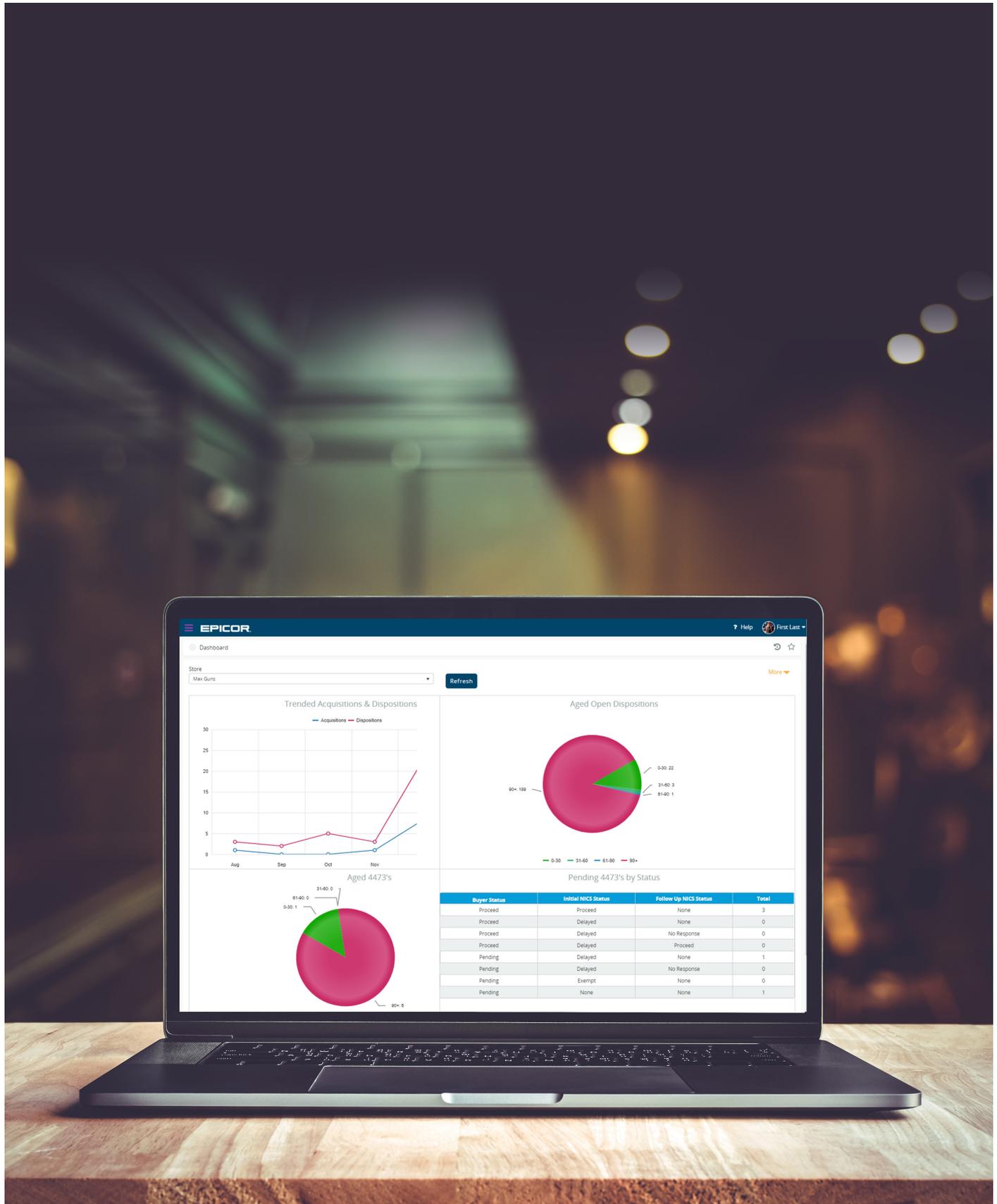


# Still Risking Your Business on a Paper Bound Book?

## 7 Tips to Ease Your Transition to a Cloud-Based Solution



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## Still Risking Your Business on a Paper Bound Book?

### Should You Transition to a Cloud-Based Bound Book Solution?

Just about every kind of recordkeeping—inventory, accounting, customer information, etc.—helps businesses operate efficiently, increase revenues and profits, and better serve customers. Put another way—even though these processes do consume time and incur costs, they help businesses grow.

In many industries, businesses must keep additional records in support of regulatory requirements. For Federal Firearms Licensees (FFLs), these requirements include specific requirements from the Bureau of Alcohol, Tobacco, and Firearms (ATF) to record the acquisition and disposition of firearms.

These “bound book” requirements lay out specific information that must be captured within specified timeframes. These regulations assist ATF personnel when they need to audit an FFL’s operational practices—and adherence to other regulations—and when they need to trace specific firearms in the course of an investigation or other administrative activity.

#### Few recordkeeping options—until now

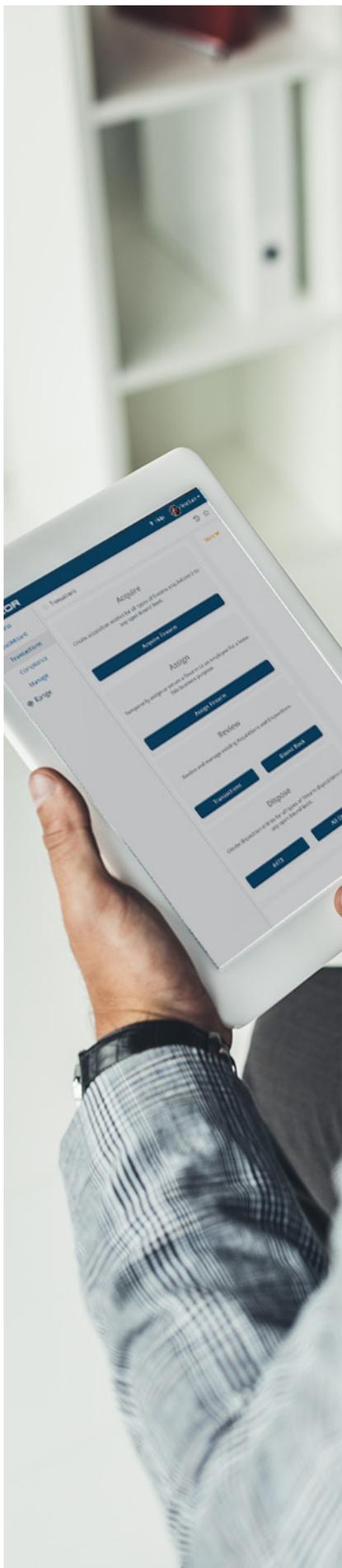
Until recently, FFLs have been able to choose among fully manual, paper-based bound book recordkeeping, a computerized spreadsheet approach, like Microsoft Excel or bound book software that must be purchased, installed, and maintained. Each offered tradeoffs between cost, accuracy, time commitment, and other variables—including responsiveness to ATF inquiries and inspections.

Why is this so important? ATF audits and trace requests are on the increase, and should an FFL be unable to respond promptly with accurate, up-to-date records in ATF-mandated formats, the FFL’s business can be shut down. For this reason alone, more and more FFLs are choosing software solutions on the assumption that they have built-in, compliance-focused features.

#### Limitations of on-premises systems

Traditional, locally installed software solutions come with their own limitations—they’re expensive to acquire, license, and maintain and can become outdated as quickly as the ATF changes a regulation. FFLs have struggled with ease of use and varying levels of compliance-focused capabilities when using these systems. That’s why an increasing number of FFLs—and ATF officials—have longed for a cloud-based bound book.

These developments have led to ATF Ruling 2016-1, which paves the way for cloud-based bound book recordkeeping and reporting.



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## Why has the ATF made this ruling?

In its justification of Ruling 2016-1— included in the text of the ruling— the agency cites a number of reasons for its decision, including:

- ▶ **Computerized records make sense for FFLs**—Just as most businesses computerize inventory, sales, and other business records, FFLs can gain better accountability, operational efficiencies, and higher rates of accuracy by computerizing bound book records
- ▶ **It's consistent with the letter and spirit of the law**—ATF regulations allow new methods for bound book and other recordkeeping when they support all information requirements, don't increase ATF costs, and won't hinder ATF administrative processes
- ▶ **The ATF wins, too**—Using computerized bound books enables FFLs to respond more quickly and accurately to ATF trace requests and reduces the time required when ATF officials perform inspections

**“We simply subscribed through the Epicor portal—and can conveniently use the solution anywhere—from any device with a web browser. Backed by multiple data centers and strong security measures, we know Epicor keeps our data—and our customers' data—safe.”**

—Greg Yowell, Compliance Officer  
Magnum Shooting Center

## Impact of ATF Ruling 2016-1

With Ruling 2016-1, the ATF now allows FFLs to use software and data storage facilities that are not hosted on company premises— paving the way for the legal use of hosted cloud-based solutions. That lets FFLs take the easiest, most cost-effective route to confident compliance with bound book regulations— and to take advantage of the many other benefits of using cloud-based software solutions, including:

- ▶ No need to purchase, install, maintain, or upgrade software
- ▶ Seamless functionality with feature upgrades that occur automatically for every user on every device
- ▶ Ease of upgrade means the software maintains ATF requirements and can more easily support new technology such as new types of mobile devices
- ▶ Low, predictable, and subscription-based pricing minimizes costs

## Requirements

In order for a cloud-based bound book solution to be compliant, it must meet a few requirements:

- ▶ Bound book records must be downloaded daily to an on-premises device such as a laptop, desktop, or server. This will mean you and the ATF have access to up-to-date records in the event online connectivity is temporarily lost.
- ▶ The solution must meet robust audit trail capabilities that enable you or the ATF to review specific information about every transaction and update made to the A&D log.
- ▶ Certain off-premises data storage and security requirements must be met. For example, log data stored in the cloud must be housed in facilities within the United States.
- ▶ When a bound book is established on or moved to any cloud-based solution, the FFL must report that change to the ATF. Certain other notifications are required as well.

Essentially, a cloud-based bound book means that you can:

- ▶ Access the A&D log information at any time, from anywhere
- ▶ Trace the source of any entry and any updates to that entry at any time
- ▶ Be assured that off-premises data stored in the cloud is protected with strong security measures

By moving to a cloud-based bound book, your data is securely stored offsite, but you can instantly access entries and more easily provide information to the ATF when the need arises.

## How Epicor FFL Compliance Manager® Stacks Up

Epicor FFL Compliance Manager software offers you all the benefits of cloud a solution. The software can help you easily satisfy evolving ATF requirements because of its automatic, real-time updates—with no effort required on an FFL's part. There's no software to buy, install, maintain, or update because its hosted offsite.

## Easy start-up and low cost

Moving to FFL Compliance Manager software from any other method—manual, paper-based, spreadsheet-based, or software-based—is made easy thanks to simple logging capabilities and flexible, automated data import capabilities. Because the solution is subscription-based, there's no large investment to make in software or hardware—just a low, predictable monthly subscription that also helps ensure ongoing enhancements and updates.

## Easy compliance

FFL Compliance Manager software also helps you fully meet the ATF's tough new audit trail requirements, so there's never a worry about tracing a log entry's history—should it be necessary. The solution automatically delivers daily data downloads to each FFL's on-premises environment and meets all other data security and backup requirements.

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## Easy to learn and use

Designed on a platform that guides users easily through every process, FFL Compliance Manager software is uncommonly easy to learn and use. This is a big advantage when an FFL begins using it initially and when new staff members become users.

**“The Epicor FFL Compliance Manager application gives us peace of mind that we are logging all firearms data accurately and properly maintaining federally required information. The reporting capability is phenomenal, because it provides us with deep insight into our bound book transactions—without the hassle of going through old manual records. Now, everything is automated and easily accessible to those that have access within our business.”**

—Greg Yowell, Compliance Officer  
Magnum Shooting Center

## Expert backup and advice

The solution was developed by a team of retail business management experts from Epicor and other firearms industry experts, so it's remarkably easy to get assistance should an unexpectedly complex transaction or situation arise. In addition, Epicor has partnered with leading compliance and operations experts to offer compliance services to firearms dealers when needed.

## Anxiety-free compliance

When a business can make things easier on the organizations that regulate or audit them, it benefits the business as well—and FFLs are no exception. By making audit and traces fast and effortless for ATF team members, FFLs simplify their own lives while remaining confident that their business won't be interrupted—or even shut down—because of ATF requirements. When the ATF comes calling, FFL Compliance Manager users can provide whatever information or reporting they need—in the format they prefer—with a few clicks or taps.

## Tips for a Quick, Easy Transition

The majority of FFLs that have already made the transition from other bound book logging methods to FFL Compliance Manager software have found that the process was easier than expected—and that it delivered unforeseen, “extra” benefits. Here's what they recommend:

- ▶ **Timing**—No “best time” has emerged for the transition of your manual, spreadsheet, or software-based bound book to FFL Compliance Manager. However, it's a good idea to plan the move for a period of lower business activity—for example, FFLs serving the hunting community might want to avoid the period just before the hunting season
- ▶ **Timeframe**—Allow for a maximum one- to two-week overlap period. During that time, you're moving old transactions into FFL Compliance Manager—this may take only a day, or even less—and getting your team ready to begin logging new A&D transactions using only the new solution.
- ▶ **Prepare your team**—Designate a primary user/administrator for your cloud-based bound book, and identify a backup person for that role. Then, let everyone who will log or report on transactions experiment with FFL Compliance Manager. The solution's built-in, step-by-step assistance tools make learning quick and easy.
- ▶ **Take a snapshot**—When you've entered your last transaction using your old method, print a copy of those records. This shows exactly where you were in the old system before you transitioned. Make copies and save PDF-format copies, too. If your old system is anything other than paper, make an extra backup of the file or files and store them securely.
- ▶ **Do a physical inventory**—This transition is the ideal time to take a physical inventory of firearms on hand and to ensure it matches your snapshot. This way, you know your new bound book is starting off 100% accurate.
- ▶ **Move open acquisition records to the cloud**—You'll only want to transfer open acquisitions—firearms you've acquired but haven't yet dispositioned—to FFL Compliance Manager software. Your old system reports and snapshots still have all your historical transactions, and there's no advantage in transferring them to your new system. Depending on your current bound bookkeeping method, you have a few choices:
  - If you're using a spreadsheet, you can easily add your log entries into FFL Compliance Manager software in a few seconds using the solution's automated import tool
  - If you're using a software solution, simply export your open log entries to an Excel format, then use the FFL Compliance Manager software automated import tool
  - If you've been keeping a manual paper logbook, you can capture your open log entries in Excel, then import—or simply use FFL Compliance Manager to capture the entries, just as you would do for a new firearm acquisition
- ▶ **Compare record counts**—The number of Open Acquisition records should match across your old system and FFL Compliance Manager. You can do this by running new reports from FFL Compliance Manager or by viewing the counts on-screen within the solution.

# Still Risking Your Business on a Paper Bound Book?

## Should You Move to FFL Compliance Manager?

“The Installation process of Epicor FFL Compliance Manager software was seamless. Because of its intuitive composition, the process to move our entirely manual A&D recordkeeping over to an electronic bound book was quick, easy, and didn’t affect our store operations.”

—Greg Yowell, Compliance Officer  
Magnum Shooting Center

|   | Move to FFLCM | Stay With Old Method |
|---|---------------|----------------------|
| Reduce non-compliance risk—current and future   | Yes           | No                   |
| Simplify logging and reporting tasks            | Yes           | No                   |
| Enhance audit/trace readiness                   | Yes           | No                   |
| Save time/wages logging and reporting           | Yes           | No                   |
| Ensure accuracy with physical inventory         | Yes           | Possibly             |
| Ensure compliance with Ruling 2016-1 provisions | Yes           | Possibly             |
| Enjoy low, predictable costs                    | Yes           | No                   |
| Fresh start with confidence in your numbers     | Yes           | No                   |
| Heartburn-free audits and traces                | Yes           | Possibly             |

That’s it—your transition is complete. Now, simply log new acquisitions and dispositions using the intuitive onscreen dialogs in FFL Compliance Manager—and don’t forget to have your customers take advantage of the kiosk feature to provide their information in the process.

## About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software designed to fit the precise needs of our manufacturing, distribution, retail, and service industry customers. More than 45 years of experience with our customers’ unique business processes and operational requirements are built into every solution—in the cloud or on premises. With this deep understanding of your industry, Epicor solutions dramatically improve performance and profitability while easing complexity so you can focus on growth. For more information, [connect with Epicor](#) or visit [www.epicor.com](http://www.epicor.com).



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