YOU SHOULD KNOW

Take Stock

Firearms inventory control is essential

The National Shooting Sports Foundation (NSSF), in conjunction with the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), conducts quarterly meetings at the ATF headquarters in Washington, D.C., where several topics are discussed. One frequently aired subject is inspection findings in the retail stores. Not to be confused with Letterman’s Top 10 List, the ATF’s list would show the top 10 cited violations in the stores from compliance inspections—and it is no joking matter.

The single item that consistently bubbled up toward the top of the list was related to inventory controls. According to inspection data released by the ATF, its most cited violation is failure to properly account for the acquisition or disposition of firearms in the records. In 2009, about one out of four of the more than 10,000 FFLs inspected were cited for this violation, and in most cases the violations involved the failure to record the disposition.

Inventory of firearms in the retail store is critical to the store on many levels. Businesses that consistently do inventory are at an advantage in several key areas of store operations. Retail is detail in all facets of the store. Detail in the inventory process is critical to the continued success of your store. The taking of a serial-number-based inventory of firearms on hand and comparing it to the open entries in the bound book will catch unrecorded dispositions and will alert you to conduct a more thorough search for unaccounted-for firearms.

Being detail-oriented in your paperwork can help pay dividends. If you have the luxury of having a receiving employee that checks in firearms and enters the information into the A&D books, being meticulous in your follow-up to that individual ensures that this person will be diligent and detailed in his or her work. It’s the old “inspect what you expect” or “who’s checking the checker?” approach to help you with controls in the store.

When the ATF comes into your store to do an inspection, the inspector will typically start by doing spot-checks on inventory and will consider unaccounted-for firearms as a serious violation. The inspector is not there to do inventory for you, but if he spot-checks your inventory and finds some issues, the ATF may take it upon itself to do an entire inventory of your store. If a store’s controls on inventory are poor enough to warrant the ATF to take an entire inventory, the FFL can expect a long and difficult inspection process.

Shrinkage is another reason to conduct store inventories. Shrinkage is a retailer’s worst nightmare, and conducting inventory in the store will quickly bring out shrinkage issues either through paper shrinkage or theft.

The NSSF is currently producing a Webinar on taking inventory that will prove of value to all firearms retailers. Announcement of its availability will be made in a variety of communications, including Bullet Points, NSSF Member News and SHOT Business.

Recent media stories on “missing guns” at dealers in the United States are a reminder of how important it is that a store owner responsibly maintain the controls of his firearms inventory.

A firearms dealer might find himself in the spotlight for one reason or another. A reason to be highlighted should never be one of missing guns. All firearms dealers should “take stock” of their inventory procedures in their stores. Challenge yourself and your employees in all facets of firearms inventory controls. It is a challenge that you must meet successfully.