The NSSF’s All-Star Team of FFL Compliance Consultants has completed dozens of in-store compliance audits for our NSSF members. From their visits, we’ve compiled a list of the “Top 10 Compliance Issues” and, better yet, how to avoid them!

In reverse order, the Top 10 errors.

10. Failure to have a trained back-up record keeper. This staffing issue led to missing entries and inaccurate or incomplete entries in the bound book. The fix for this one: staff training to ensure that regardless of the shift, someone is trained to enter transfers into your bound book.

9. Failure to record, in the case of imported firearms, the name of the foreign manufacturer and the U.S. importer in the bound book and on the Form 4473. Best way to avoid this issue is to write down exactly what is stamped on the firearm. If you have any questions regarding this information, contact your distributor, who should be able to provide this information.

8. Failure to complete multiple-handgun-sale form. Fixes to this issue can be as simple as writing down each handgun sold throughout the day and to whom it was sold, and then, at the close of business, have store employees review the list to see if multiple handguns were sold to one customer. A sophisticated point-of-sale system like Celerant will provide this information to you for a single store or for multiple locations. Simple training can help ensure that the form is being completed during the allotted time frame.

7. Failure to report multiple-handgun sales to the chief law enforcement official (CLEO) in your area. This is a great topic for your weekly meetings with your staff to ensure that the reporting for multiple handguns is not considered done if you’ve simply alerted the ATF; the form must be sent to the CLEO in your area as well.

6. Failure to enter sale of firearms in the bound book. Ideally your staff will always have time to carefully enter the sales information into the bound book, but we know that isn’t always the case. That being said, empower your staff to let the waiting customer know that the staff member is completing the transaction by recording the information in the bound book. Support your employees if a customer pushes back. On busy days, have your managers check the bound book(s) at prescribed times to ensure that all the entries have been made correctly. The more eyes checking the bound book, the more likely you’ll find any bookkeeping errors.

5. Failure to enter firearms left for repair into the bound book in a timely manner. Any firearm left in your possession from one business day to another must be recorded as an “acquisition”...
and a “disposition” in your bound book. Our FFL Compliance Consultants recommend keeping a separate bound book for firearms undergoing repairs. Further, they recommend setting aside a specific time once a day to enter firearms that will need to be recorded into that bound book.

4. Failure to have a set routine time for entering firearms transactions into your bound book. Similar to point No. 8, empower your staff to take the time to enter the information into your bound book and have management review their work in a routine fashion. Our FFL Compliance Consultants recommend you emphasize to your staff that until the information is recorded in the bound book, the sale is not complete and they should not move on to the next customer.

3. Failure to have a separate file for Forms 4473 for which NICS/POC checks were done but no firearm was transferred. Instances like this would include NICS denials, NICS cancellations, delayed responses where the buyer never picked up the gun and proceed responses where the dealer cancels the transaction.

2. Failure to sign Forms 4473 on transactions denied by NICS. The second most common error that our FFL Compliance Consultants found, and one of the easiest to fix, is failure to sign denied 4473 transactions. A simple fix is having a second or even third set of eyes check your work throughout the day and at day’s end.

1. The most common error (and one that is most easily fixed) is the failure of customer to enter his or her middle name completely in Box 1 of the 4473 form. Your sales staff should be trained not to accept an initial. If the customer has no middle name, have him or her write “NMN” (No Middle Name) in the box. Thorough staff training, routine review throughout the day and final check of the Forms 4473 at the end of the day will ensure that minor issues like this don’t become major headaches during an ATF inspection.

As you can tell from the list, most of the errors are simple oversights that can be easily corrected by training and solid management. Our FFL Compliance Consultants have offered some simple guidelines here. Empower your staff to take the time to complete the forms correctly, including time to review the Form 4473 and the bound book entries. Have your managers take time to review your employees’ work throughout the day and correct and coach as necessary. At close of business, have a set of fresh eyes review the day’s 4473 and bound book entries, especially looking to detect the common mistakes listed above.

If you are an NSSF member and have any questions regarding ATF compliance issues, you can reach out 24/7 to 855-FFL-NSSF (855-355-6773).

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