

SECTION .0300 - OPERATIONS

21 NCAC 34D .0301 RECORD AND BOOKKEEPING REQUIREMENTS

- (a) Each preneed funeral establishment licensee shall maintain a file containing:
- (1) a copy of each of its license applications, including applications for license renewals;
 - (2) copies of all preneed examination reports; and
 - (3) copies of all annual reports to the Board.
- (b) Each such licensee shall maintain files containing all preneed funeral contracts purchased. The files shall be maintained separately for outstanding contracts and for matured or cancelled contracts. The outstanding contract file shall include a copy of each preneed contract filed alphabetically or numerically. The matured or cancelled contract file shall contain a copy of each preneed contract, together with a copy of the certificate of performance, the preneed statement of funeral goods and services and the at-need statement of funeral goods and services, and shall be filed either chronologically or alphabetically by year.
- (c) Each such licensee shall maintain the following records:
- (1) a contract register listing the purchaser's name and final disposition of the contract;
 - (2) a separate cash journal or separate cash receipt book designated for preneed, showing all preneed payments collected;
 - (3) an individual ledger for each contract purchaser showing the purchaser's and beneficiary's names, amount of the contract, amount paid on the contract, amount retained free of trust pursuant to G.S. 90-210.61(a)(2), deposits to trust, withdrawals from trust as permitted by law and the reasons therefor, interest on deposits, total amount of the trust, and amounts paid to insurance companies for insurance-funded contracts;
 - (4) copies of bank statements and deposit slips from financial institutions in which trust funds are deposited, certificate of deposit records, including both principal and interest transactions and trust accountings; and
 - (5) copies of applications for insurance, insurance policies, beneficiary designation documents and instruments of assignment.
- (d) When two or more preneed funeral establishment licensees are wholly owned by the same entity, all of the copies and records required to be maintained by Paragraphs (a) and (b) of this Rule may be maintained at one address of the licensee, or they may be divided among and maintained at various addresses of the licensees, in their discretion.
- (e) The copies required to be maintained by Paragraph (a) of this Rule shall be retained a minimum of ten years following their origination. The copies and records required to be maintained by Paragraphs (b) and (c) of this Rule shall be retained a minimum of ten years following the substitution of a different funeral establishment to perform the preneed funeral contract, the revocation of the preneed funeral contract or the death of the contract beneficiary, whichever occurs first.
- (f) Individual ledgers and records of the depository financial institutions shall be balanced at least annually to ensure accuracy.

*History Note: Authority G.S. 90-210.68(a); 90-210.69(a);
Eff. May 1, 1993;
Amended Eff. November 1, 2004; January 1, 1996; August 2, 1993;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. August 19,
2017.*