

**RULES OF THE  
ARKANSAS CEMETERY BOARD**

**EFFECTIVE - February 9, 2014**



**ARKANSAS CEMETERY BOARD  
HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM  
LITTLE ROCK, ARKANSAS 72201**

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## ARKANSAS CEMETERY BOARD RULES

### RULE 1. TITLE.

These Rules shall be known as the Rules of the Arkansas Cemetery Board.

### RULE 2. DEFINITIONS.

When the terms listed below are used in the Act, the Grant Fund Act, any rules or forms promulgated under the Act or Grant Fund Act, or any order of the Cemetery Board under the Act or Grant Fund Act the following definitions shall apply, unless a contrary definition is expressly provided or clearly required by the context, to the extent that they do not conflict with the definitions set forth in the Act or Grant Fund Act.

- 2.01 **Act** means the Cemetery Act for Perpetually Maintained Cemeteries, Ark. Code Ann. § 20-17-1001 et seq., as the same may be codified and amended from time to time.
- 2.02 **Deed** means an instrument of bond, contract, or conveyance used to convey an interest in real property.
- 2.03 **Grant Fund Act means** the Insolvent Cemetery Grant Fund Act, Act 429 of 2009 effective July 31, 2009, codified as Ark. Code Ann. § 20-17-1301 et seq. as amended.
- 2.04 **Grant Funds** means the money granted by the Board to an insolvent cemetery from the Insolvent Cemetery Grant Fund as established by Act 429 of 2009.
- 2.05 **Insolvent Cemetery** means a cemetery that has been declared insolvent by a state or federal court.
- 2.06 **Mausoleum** as defined in section 20-17-1002(10) of the Act shall not mean a small family mausoleum constructed by an individual lot owners, placed on lots owned by the individuals, and used exclusively for the lot owners or family.
- 2.07 **Project** means the intended use of the grant funds in relation to the care, maintenance, and operation of the insolvent cemetery as described by the applicant on the application.

2.08 **Recipient** means the insolvent cemetery that receives a grant from the Board within the meaning of the Act.

2.09 **Secretary** means the Secretary of the Cemetery Board.

**RULE 3. APPLICATION OF ACT**

[ RESERVED ]

**RULE 4. ARKANSAS CEMETERY BOARD - CREATION - MEMBERS.**

[ RESERVED ]

**RULE 5. ARKANSAS CEMETERY BOARD - PROCEEDINGS.**

5.01 MEETINGS.

- (a) The Board shall meet at least quarterly and such regular quarterly meetings shall be public. The meetings shall be governed by the Arkansas Administrative Procedures Act as codified in Ark. Code Ann. § 25-15-201 et seq.
- (b) The Board shall fix the date, time, and place of each meeting and shall publish notice thereof at least fifteen (15) calendar days before the date set for the meeting.
- (c) The Board shall meet at special meetings subject to the call of the Chairman or the written demand of any two (2) members. Such special meetings shall be public and governed by the Arkansas Administrative Procedure Act as codified in Ark. Code Ann. §§ 25-15-201 et seq.

5.02 APPEARANCES BEFORE THE BOARD. Any applicant, protestant, cemetery company, or other party that has an interest in a matter set for a meeting before the Board shall be entitled in person and by attorney to be heard, introduce evidence, and examine and cross-examine witnesses.

5.03 ORDERS OF THE BOARD.

- (a) Upon conclusion of any meeting, the Board shall make its findings and promptly execute an order setting forth such findings.
- (b) An order signed by one ex officio member of the Board, or the ex officio member's designated deputy, and one

appointed member of the Board who attended the Board meeting shall be considered executed. The date of the order shall mean the date the last of the two (2) signatures is placed on the order.

5.04 RECORD OF THE MEETINGS. A transcript of each meeting shall be maintained by the Board.

**RULE 6 ARKANSAS CEMETERY BOARD - POWERS AND DUTIES.**

6.01 EXAMINATIONS. Representatives of the Securities Department shall have delegated authority from the Board to conduct examinations.

6.02 LEGAL PROCEEDINGS. Representatives of the Securities Department shall have delegated authority from the Board to represent the Board in legal proceedings and advise the Board during its meetings.

6.03 ISSUANCE, SUSPENSION, AMENDMENT, OR REVOCATION OF PERMIT. If, after a public meeting held in accordance with section 20-17-1005 of the Act and Rule 5, the Board determines that a permit should be issued, suspended, amended, or revoked, the Board shall so order. If a permit is issued, suspended, revoked, or amended, a copy of such permit shall be filed by the permit holder with the County Clerk in the county in which the cemetery is located, and a copy sent to the Department of Health. The date of the permit shall be the same date as the date of the order set forth in Rule 5.03.

**RULE 7. EXAMINATION OF A CEMETERY.**

7.01 Reserved.

**RULE 8. PERMIT - APPLICATION.**

8.01 PROOF OF PUBLICATION. Proof of the publication of the notice required by section 20-17-1008(a)(1) of the Act must be attached to and made a part of the application to the Board. Publication of such notice shall be made within ninety (90) calendar days of the date of the application.

8.02 FORM OF APPLICATION. An application filed pursuant to the Act shall include the information required by section 20-17-1008 of the Act and Rule 8.07. A specific form is not required, but the application must be made in writing and

signed in the presence of a notary. The original application shall be accompanied by not less than ten (10) copies.

8.03 DATE OF FILING. An application must be filed with the Secretary at least twenty (20) calendar days prior to the Board meeting at which it is to be considered.

8.04 FEES. The applicant shall submit fees as set forth in Section 20-17-1008 of the Act.

8.05 SURVEY AND MAP. In lieu of filing a survey and map with the Board, the applicant may file a survey and map with the Department of Health, in a form satisfactory to the Department of Health, as a part of the investigation set forth in section 20-17-1009 of the Act, and upon proof of such filing, shall be accepted by the Board.

8.06 PROTEST TO APPLICATION. Whenever any person desires to protest the issuance of a permit, the protestant shall file with the Board a written protest setting forth any objections. Any such protest must be filed at least seven (7) calendar days before the Board meeting at which the application is to be heard. A copy of the protest shall be sent to the cemetery company making the application by the protestant. Protestants shall be entitled to appear before the Board as set forth in Rule 5.02.

8.07 (a) In addition to the information required by the Act, any application filed pursuant to section 20-17-1008 of the Act shall contain the following information:

- (1) The applicant's form of business organization, e.g. corporation, partnership, sole proprietorship, limited liability company, etc. If the form of business is a corporation or limited liability company, the applicant must identify under which State law the entity is incorporated or organized.
- (2) If the applicant is a foreign corporation or limited liability company, its resident agent for service of process, the address of its home office, and a statement that it has been registered with the Secretary of State as a foreign corporation or limited liability company, respectively, doing business in the State of

Arkansas.

- (3) The names and addresses of applicant's managing officers and Board of Directors; or if a partnership, the names and addresses of all partners and their respective share of the business.
- (4) The outstanding capital stock of the applicant and a list of the stockholders. The list of stockholders must indicate if a stockholder of record holds the stock as trustee or agent for someone other than himself.
- (5) A copy of the Articles of Incorporation, Articles of Organization, Bylaws, or similar founding charter of the applicant duly authenticated and certified by the proper authority, or if a partnership, a partnership agreement.
- (6) A statement that the corporation or limited liability company is or is not a subsidiary of another corporation or limited liability company, and if it is, the name of the parent organization, the percentage of voting securities owned by the parent, or any other basis of control by the parent.
- (7) A description of all property held by the applicant. If any such property is not held in fee or is subject to any encumbrance, so state and briefly describe how held.
- (8) A statement as to whether applicant is the owner or operator of any other cemetery in this or any other state and the name and address of said cemetery (cemeteries).
- (9) A statement briefly describing the nature of legal proceedings against the applicant; any of its owners, officers, agents, or employees the partners of a partnership; or owner of a proprietorship within the last ten (10) years as well as any final judgments or orders against the same.
- (10) A consolidated balance sheet and a profit and

loss statement prepared by an independent certified public accountant showing the financial condition of the applicant as of thirty (30) calendar days before the filing of the application.

(11) A statement showing an estimate of the volume of sales expected to be produced in the first five (5) years of operation. The estimate should be based upon criteria such as projected population growth in the area, the number of cemeteries in the area, the condition of these cemeteries, and any other relevant facts.

(12) Any other evidence which would show a public need for the cemetery.

(b) If any of the information required by Rule 8.07 is already on file with the Board, the applicant may incorporate the previous filings by reference in the application.

(c) The Board may require an applicant to submit such other information it deems necessary.

**RULE 9. PERMIT - INVESTIGATION BY DEPARTMENT OF HEALTH.**

[ RESERVED ]

**RULE 10. PERMIT - INVESTIGATION AND ISSUANCE BY THE ARKANSAS CEMETERY BOARD.**

10.01 ISSUANCE OF PERMIT. If the application for a new perpetual care cemetery or extension of boundaries of an existing perpetual care cemetery holding a permit under the Act is approved, the Board shall issue a permit to the cemetery company setting forth the legal description of the property to be used as a cemetery. The date of the permit shall be the same date as the date of the order as set forth in Rule 5.03.

10.02 FILING OF PERMIT. The cemetery company shall file a copy of each newly issued permit with the County Clerk of the county in which the cemetery is located and shall send a copy of each newly issued permit to the Department of Health.

**RULE 11. PERMIT - AMENDMENT.**

- 11.01 FORM OF APPLICATION. An application to modify an existing permit shall be filed pursuant to the Act and shall include the information required by section 20-17-1011 of the Act. A specific form is not required, but the application must be in writing and signed in the presence of a notary.
- 11.02 DATE OF FILING. An application must be filed with the Secretary at least (20) calendar days prior to the Board meeting at which it is to be considered.
- 11.03 FEES. The applicant shall submit fees as required in Section 20-17-1011 of the Act.
- 11.04 EXHIBITS FILED BY REFERENCE. If the proposed rules and regulations for the use, care, and management of the cemetery or the proposed method of establishing a permanent maintenance fund are already on file with the Board, the applicant may incorporate such information by reference in the application in lieu of attaching the full exhibit.
- 11.05 MODIFICATIONS DETERMINED BY BOARD. If the Board, or its representatives, determines that the facts set forth in an application which resulted in the issuance of a permit under this Act have changed or an amendment to the permit may be necessary, the Board may consider whether the present permit needs to be amended. The cemetery company presently holding the permit shall be notified of the Board's decision to review the existing permit and shall be given an opportunity at the meeting to present evidence.
- 11.06 PUBLIC MEETING. The Board shall consider all applications filed pursuant to section 20-17-1011 of the Act at a regular or special meeting.
- 11.07 ISSUANCE OF PERMITS. If the Board determines that an existing permit should be amended, the Board shall issue a new permit. The new permit shall supersede the previous permit. The new amended permit shall be filed by the cemetery company with the County Clerk in the county in which the cemetery is located and a copy sent to the Department of Health.

**RULE 12. PERMIT - TRANSFER OF OWNERSHIP.**

12.01 FORM OF APPLICATION. An application to transfer ownership of a cemetery shall include the information required by section 20-17-1012 of the Act. A specific form is not required, but the application must be made in writing and signed in the presence of a notary. The original application shall be accompanied by not less than ten (10) copies.

12.02 DATE OF FILING. Applications must be filed with the Secretary at least twenty (20) calendar days prior to the Board meeting at which it is to be considered.

12.03 FEES. The applicant shall submit the fees as required in Section 20-17-1012 of the Act.

12.04 ADDITIONAL INFORMATION REQUIRED BY THE BOARD.

- (a) The cemetery company proposing to acquire the ownership or a controlling interest in a cemetery company currently holding a permit shall file the information set forth in Rule 8.07(a)(1) through 8.07(a)(10) unless upon proper showing the Board waives one or more of the requirements.
- (b) If any of the information required by this Rule is already on file with the Board, the applicant may incorporate the previous filings by reference in the application.
- (c) The Board may require the cemetery company proposing to acquire or the cemetery company proposing to dispose of the ownership of a cemetery to submit such other information as it deems necessary.

12.05 PUBLIC MEETING. The Board shall consider all applications filed pursuant to section 20-17-1012 of the Act at a regular quarterly meeting or a special meeting.

12.06 SELLER OR TRANSFEROR FILINGS WITH BOARD.

- (a) Prior to the sale, or transfer of ownership the seller or transferor shall notify the Board of the proposed sale or transfer. Such notification need not be in any specific form but must be in writing and signed in the presence of a

notary. The original notification shall be accompanied by not less than ten (10) copies.

(b) The seller shall attach as exhibits to the filing at least the following:

- (1) Report disclosing balances as reported on last previous annual report, the amounts of sales for which payment has been made in full since the annual report, the corresponding deed numbers which have been issued, the amounts and dates of each deposit made to the permanent maintenance fund, and such other information necessary to show that all amounts due to be paid into the permanent maintenance fund have been satisfied.
- (2) Listings detailing each house account receivable and each discounted note showing the name of the lot purchaser, the gross amount of the lot sales price, and the outstanding balance.
- (3) Report of the trustee disclosing the date and amount of all deposits to the trust fund since the annual report, the dates and amounts of income earned and disbursed since the annual report, and a listing of all assets of the permanent maintenance fund delineating between principal assets and income assets.
- (4) All reports and listings required by Rule 12.06(a) shall be as of the same date, which date shall not be more than forty-five (45) calendar days prior to the date of the Board meeting at which the application shall be heard, and shall be filed at least seven (7) calendar days prior to such meeting date.

(c) If such application is approved by the Board, the seller or transferor shall, within seven (7) calendar days after the sale or transfer date, submit a statement, under oath, of the assets of the permanent maintenance fund as of the sale or transfer date.

12.07 ISSUANCE OF PERMIT TO PURCHASER. If the Board finds that the seller or transferor and the purchaser or transferee have complied with the Act and Rules, the

Board shall order the issuance of a new permit to the purchaser or transferee. The new permit shall supersede the previous permit. The date of the new permit shall coincide with the date of sale or transfer. The permit holder shall file a copy of the newly issued permit with the County Clerk of the county in which the cemetery is located and shall send a copy of the new permit to the Department of Health.

**RULE 13. PERMANENT MAINTENANCE FUND GENERALLY.**

- 13.01 TRUST AGREEMENT. Each permanent maintenance fund established pursuant to section 20-18-1013 of the Act shall have a written trust agreement governing the operation of the fund. A copy of the trust agreement shall be filed with the Board.
- 13.02 NOTIFICATION OF CHANGE OF TRUSTEES. The Board shall be notified prior to any change in the trustee arrangement or in the trustee(s) by either the cemetery company or the trustee(s).
- 13.03 PAYMENT OF PENALTY FOR FAILURE TO MAKE REQUIRED CONTRIBUTIONS TO FUND. If the Board finds that a cemetery company must pay a penalty as provided in section 20-17-1016(c) of the Act, the cemetery company must submit proof to the Board from the trustee(s) that the penalty has been deposited into the cemetery company's permanent maintenance fund.

**RULE 14. PERMANENT MAINTENANCE FUND - TRUSTEES.**

- 14.01 MINUTES OF TRUSTEE MEETINGS. If a permanent maintenance fund is established in accordance with section 20-17-1014(b)(2) of the Act, minutes of trustees' meetings must be maintained. The minutes must be signed by all three trustees, reflect the authorization of all purchases and sales of investments, and reflect the authorization of all disbursements of income. If the trust agreement provides that only one trustee shall have sole disbursement authority, minutes must be prepared by that one trustee and submitted to the remaining trustees for ratification at least twice a year.

14.02 FIDELITY BONDS.

- (a) If a fidelity bond is required pursuant to 20-17-1014(b) (2) of the Act, the bond shall indemnify the insured permanent maintenance fund against loss of money or property which the fund shall sustain through fraudulent or dishonest acts committed by trustees having disbursement authority. The fidelity bond shall remain in full force and effect from the effective date of the bond until it is terminated or modified by the corporate surety thereon, and such fidelity bond shall provide that thirty (30) calendar days notice must be given to the Securities Commissioner by the corporate surety prior to the effective date of termination. Any modification to the fidelity bond must likewise be filed with the Board.
- (b) If a fidelity bond required pursuant to section 20-17-1014(b) (2) of the Act includes a deductible, an appropriate deposit of cash or securities, in a form approved by the Board, shall be accepted to meet the deductible.

14.03 PROOF OF FEDERAL INSURANCE AND RESTRICTION ON ACCOUNTS.

- (a) A cemetery company that elects to establish a permanent maintenance fund in accordance with section 20-17-1014(b) (3) of the Act, shall have each bank or savings and loan association that will receive deposits for the permanent maintenance fund, furnish the Board with a letter setting forth that:
  - (1) All funds deposited shall be federally insured;
  - (2) All funds, except the interest earned thereon, will be restricted so that it may not be pledged, withdrawn, or otherwise encumbered without written authorization of the Secretary, and
  - (3) The name of the trustee who may withdraw the interest.
- (b) Permanent maintenance funds deposited in any one bank or savings and loan association in excess of the maximum FDIC insurance shall be deemed to be federally

insured if the bank or savings and loan association pledges specific securities which are direct obligations of the United States government, or agencies whose securities are guaranteed by the United States government, as collateral for the funds in excess of the FDIC insurance coverage.

**RULE 15. PERMANENT MAINTENANCE FUND - ANNUAL REPORT.**

[ RESERVED ]

**RULE 16. PERMANENT MAINTENANCE FUND - REQUIRED DEPOSITS.**

A cemetery company which elects to discount installment sales contracts shall first file with the Secretary a copy of the agreement including the terms under which the escrow account is restricted. Should the Secretary determine that the agreement does not adequately provide the safeguards established by section 20-17-1016(b)(2)(B) of the Act, the Secretary shall ask the Board to review the agreement at a public meeting held in accordance with section 20-17-1005 of the Act and Rule 5.

**RULE 17. PERMANENT MAINTENANCE FUND - VOLUNTARY CONTRIBUTION.**

[RESERVED]

**RULE 18. PERMANENT MAINTENANCE FUND - PENALTIES.**

[RESERVED]

**RULE 19. CONVEYANCE OF LOTS.**

[RESERVED]

**RULE 20. UNLAWFUL ACT.**

[ RESERVED ]

**RULE 21. DISPOSITION OF CONTRIBUTIONS AND FEES.**

21.01 Proof of any contribution to the permanent maintenance fund required by order of the Board shall be filed with the Board within thirty (30) calendar days after the contribution is made.

**RULE 22. RECORDS REQUIRED.**

22.01 CASH RECEIPTS AND DISBURSEMENTS. All cemetery companies must keep a book, journal, or comparable record of cash receipts and disbursements showing the date, amount, person from who received or to whom disbursed, and the purpose of each receipt or disbursement. This record shall reflect amounts disbursed and deposited to the permanent maintenance fund and any other disbursement of funds by the cemetery company.

22.02 SALES CONTRACTS.

- (a) All sales contracts must be numbered consecutively after a sales contract is executed by the cemetery company and must contain at least the following:
- (1) date of contract,
  - (2) total purchase price,
  - (3) terms of sale,
  - (4) description of plot or plots purchased,
  - (5) signature of buyer,
  - (6) address of buyer,
  - (7) date when paid in full,
  - (8) deed number issued, and
  - (9) acknowledgment that the purchaser has received a copy of the rules and regulations of the cemetery.
- (b) The cemetery company must maintain a copy of each contract in a numerical file or must maintain a numerical listing of each contract with sufficient details, referenced in Rule 22.02(a). All voided or cancelled contracts must be so marked and retained in the files in accordance with Rule 22.08.
- (c) The original or a manually signed duplicate of the original of each contract must be retained by the cemetery company.
- (d) Cemetery companies that enter into sales contracts in which one basic contract is drawn for the sale of cemetery lots and other items, such as memorial and burial vaults, must specifically set out in such contract the purchase price of each item being purchased and the total sales contract price. If such contract is paid for with an installment

plan, the payments must be pro-rated among the respective items so that full payment of any or all of the items can be readily identified. Only the portion of the sales contract which is for the purchase of the cemetery lot shall be subject to the trust fund deposit requirements of the Act.

- (e) Sales contracts which include a calendar or fiscal year prefix, and are numbered consecutively within said prefix, shall be considered to be numbered consecutively under section 20-17-1022(b) of the Act, and these Rules.

#### 22.03 INSTALLMENT SALES.

- (a) The cemetery company must retain accounts receivable records on all contracts not yet paid in full. The records must be maintained on contracts where the cemetery company receives installment payments directly as well as discounted contracts. All accounts must be posted currently (at least once a month), either by the cemetery company or the bank, financial institution, or other person discounting the note.
- (b) Prior to discounting sales contracts with a bank or other financial institution, a cemetery company must verify that the institution will provide the cemetery with monthly statements showing the status of each discounted note. Such monthly status reports must be maintained in the cemetery file.
- (c) If the sales contracts provide for installment payments which include interest, credit life insurance, or similar items, the cemetery must comply with all applicable Federal and State regulations.

#### 22.04 DEEDS.

- (a) Each cemetery company shall issue deeds and maintain a record of all deeds issued (deed record book) as set forth in section 20-17-1019(a)&(c) of the Act.
- (b) All deeds must be prenumbered and either the stubs of the deeds or a deed record book shall be kept reflecting:

- (1) a corresponding contract number,
- (2) the name of purchaser, and
- (3) the date and amount of deposit to the Trust Fund.

22.05 CEMETERY MAP. The cemetery company must maintain on a current basis a cemetery map, plot plan, or comparable record reflecting all interments, lots paid-in-full, and lots under contract but not yet fully paid.

22.06 RULES AND REGULATIONS GOVERNING CEMETERY CARE AND MAINTENANCE. The cemetery company must have its current rules and regulations providing for the general care and maintenance of the cemetery in accordance with sections 20-17-1008(b) (3) (D) and 20-17-1013(f) of the Act on file at the cemetery for the use of the public.

22.07 CEMETERY PLANS FOR CARE AND MAINTENANCE OF CEMETERY Each cemetery company shall file with the Board a copy of the rules and regulations, and any changes thereto, providing the general care and maintenance of the cemetery within forty-five (45) calendar days after adoption by the cemetery company.

22.08 RETENTION OF RECORDS. Records required for deeds, contracts, and plot maps must be kept indefinitely. All other books and records must be kept for at least five (5) years.

(a) Records may be kept in an electronic format that is convertible into legible, tangible documents, provided that the means to examine such records is acceptable to the Board, is available at the office of the cemetery, and the hardware and software needed to access the records is maintained during the retention period.

- (1) The cemetery company shall file with the Board a copy of a plan for electronic recordkeeping within forty-five (45) calendar days after adoption by the cemetery company.
- (2) Cemetery companies shall implement the following security processes:
  - A. Provide an appropriate level of security to ensure the integrity of the records. Security controls should include, at a minimum, physical and logical access controls, backup and recovery procedures, and training for

custodians and users.

- B. Document that similar kinds of records generated and stored electronically are created by the same processes each time and have a standardized retrieval approach.
- C. Substantiate that security procedures prevent unauthorized addition, modification, or deletion of a record and ensure systems are protected against such problems as power interruptions.
- D. Identify the electronic media on which records are stored throughout their life cycle, the maximum time span that records remain on each storage media, and the official retention requirements.

- (b) All records shall be available for inspection and copying at the expense of the cemetery company upon request by the Board or its delegates
- (c) All records required to be maintained shall be secured against unauthorized access and damage.

**RULE 23. ANNUAL REPORT OF CEMETERY COMPANY.**

23.01 FEES

- (a) The fee for filing an annual report shall be as set forth in Section 20-17-1023(a) of the Act.
- (b) The burial sale contract fee shall be as set forth in section 20-17-1024(b) of the Act.

23.02 Reserved.

23.03 INCOME STATEMENT. The annual report of the cemetery company shall include an income statement for the previous calendar year prepared according to the generally accepted accounting principles.

**RULE 24. [RESERVED].**

**RULE 25. PROTECTION OF CEMETERIES - POWER TO LEND.**

**[RESERVED]**

**RULE 26. ANNUAL PERMIT FEE.**

[RESERVED]

**RULE 27. DUTIES OF THE STATE SECURITIES DEPARTMENT.**

[RESERVED]

**RULE 28. CONTRACTS WITH MUNICIPALITIES OR COUNTY WHERE A CEMETERY IS LOCATED.**

[RESERVED]

**RULE 29. CEMETERY ADVISORY BOARDS - MEMBERSHIP - ORGANIZATION - AUTHORITY.**

[RESERVED]

**RULE 30. INSOLVENT CEMETERY GRANT FUND RULES.**

**RULE 30.01 PURPOSE**

It is the purpose of this rule to formalize a process and set reasonable guidelines to make assistance available to address the care, maintenance, and operation of an insolvent perpetual care cemetery and more specifically, to establish standards for distributing available Grant Funds administered by the Arkansas Cemetery Board.

**RULE 30.02 APPLICATION FORM.**

- (a) An application for funds or an application to make a change in an approved grant filed pursuant to section 20-17-1306 of the Grant Fund Act need not be in any specific form, but must be made in writing and signed in the presence of a notary. The original application shall be accompanied by no less than ten (10) copies.
- (b) The application shall contain at a minimum the following information:
  - (1) Name of applicant.

- (i) The applicant must demonstrate that it meets the eligibility requirements of the Grant Fund Act.
  - (ii) The applicant must demonstrate that it is in good standing with all applicable federal, state, and local agencies that govern the applicant.
- (2) Name of the individual or individuals principally responsible for the care, maintenance, and operation of the insolvent cemetery.
- (i) This individual(s) must be primarily responsible for the non-profit company that controls the cemetery, and has the authority to bind the non-profit company.
  - (ii) This individual(s) will be held responsible to complete the required reports to the Board, if the grant application is approved.
- (3) Amount requested by applicant.
- (4) A project synopsis for the use of the grant fund monies, which shall include:
- (i) The specific use of the funds;
  - (ii) An itemized list of specific needs to be addressed;
  - (iii) Projected costs for each item; and
  - (iv) A detailed plan for implementing and completing the project.
- (5) The goals and objectives of the project.
- (6) The duration of the project.
- (7) Implementation timeline for use of the funds;
- (8) A budget summary containing a detailed summary of the proposed budget and information of other financial resources utilized.

- (9) The policy and procedures of the applicant detailing the administration and oversight of the funds.
- (c) The Board reserves the right to request additional information as needed for evaluation of the request for funds.
- (d) Date of Filing. Applications must be filed with the Board at least twenty (20) calendar days prior to the Board meeting at which the grant application is to be considered.

**RULE 30.03 POWERS AND DUTIES OF THE CEMETERY BOARD**

- (a) Criteria for grant applications and awards.
  - (1) The applicant must demonstrate to the Board that it has the resources available to ensure that the proposed use of the funds occurs.
  - (2) The Board reserves the right to determine funding priorities and amounts based on the overall needs of an insolvent cemetery.
- (b) Oversight for all grant expenditures.
  - (1) At the time of the grant application, the applicant must demonstrate to the Board that the applicant has sufficient mechanisms in place to ensure the grant expenditures are used for their intended purpose.
  - (2) The applicant shall appoint an institutional custodian of the grant fund monies.
  - (3) The applicant shall satisfy the Board that it has obtained all applicable federal, state, and local permits required to disburse any granted funds.
  - (4) A copy of the original application, and all project expenditures with invoices attached will remain on the books and records of the cemetery.
- (c) Criteria for reporting and maintaining all grant moneys and expenditures.

- (1) Recipients shall submit timely quarterly reports of the progress of the project, end of the year financial reports, and a final report when the project is completed or work on the project.
  - (2) The grant fund recipient shall submit in writing any request for changes of the approved project.
  - (3) The books and recordkeeping shall comply with the generally accepted accounting principles.
- (d) Criteria for the review of grant awards and expenditure to prevent misuse or abuse of grant money.
- (1) Projects will be monitored through site visits, required project reports, and fiscal review.
  - (2) An examination of the books and records of the grant fund recipient shall be reviewed annually to determine compliance with the Grant Fund Act.
    - (i) The examination shall include, but is not limited to:
      - (A) Review of the books and records of the grant fund money;
      - (B) Review of the expense reports, invoices and receipts, bank statements; and
      - (C) Review of the projects detailed in the application to ensure compliance with the project summary as described in the application.
    - (ii) A report of the examination shall be submitted to the Board after completion of the examination report.
- (3) Conflict of Interest.
- (i) No Board member or employee of a Board member, for the purpose of personal gain, shall have or attempt to have, directly or indirectly, any interest in any contract or agreement of

with the grant fund recipient, or the Board in connection with the grant fund program.

- (ii) It shall not be a conflict of interest for the Board to permit any cemetery with which a Board member is affiliated to participate in the grant fund program provided that such Board member shall promptly disclose the nature of the affiliation to the Board.

#### **RULE 30.04 REPORTS**

(a) Quarterly Reports.

- (1) The quarterly reports are due thirty (30) calendar days from the end of each calendar quarter.
- (2) The quarterly reports shall include:
  - (A) financial statements in accordance with generally accepted accounting principles;
  - (B) expense reports; and
  - (C) project status reports.
- (3) Failure to submit timely reports shall provide grounds for the Board to withhold disbursement of grant funds for subsequent grant requests.

(b) End of the year Reports.

- (1) The end of the year reports shall be due sixty (60) calendar days from the end of the calendar year. The report shall contain:
  - (A) financial statements;
  - (B) project summary statements;
  - (C) proof of expenditures from the grant award, including but not limited to:
    - (i) expense itemization for each grant;

- (ii) date of purchase of items or services;
  - (iii) items or services purchased;
  - (iv) vendor;
  - (v) purchase price; and
  - (vi) invoice or purchase order number.
- (2) Estimated completion dates of the on-going project(s).
- (3) Failure to submit an end of the year report shall provide grounds for the Board to withhold disbursement of grant funds for subsequent grant requests.
- (c) Project Summary.
- (1) Upon completion of a project the recipient shall supply the Board with a copy of a final report.
  - (2) The final report shall contain:
    - (A) Financial statements;
    - (B) Expense reports; and
    - (C) Proof of completion of the project.
- (d) Tax Returns. The recipient shall provide to the Board a copy of the recipient's federal and state tax returns within thirty (30) calendar days after submission of the federal and state tax returns.
- (e) Failure to submit timely reports shall provide grounds for the Board to withhold disbursement of grant funds for subsequent grant requests.

**RULE 30.05 USE OF GRANT AWARDS:**

The applicant shall use the grant fund money solely for the purpose described in the grant fund application. Failure to comply with these guidelines will result in a permanent

bar of the insolvent cemetery from receiving grant fund money from the Board.