



Bingo Manager Training Session

Training Objectives



- To obtain a **basic** understanding of the charitable gaming statutes, as of **July 1, 2010**.
- To obtain a **basic** understanding of the charitable gaming regulations.
- To obtain a **basic** understanding on how to properly complete the Department's game management forms.

Training Objectives




- To obtain a **basic** understanding on the importance of instituting internal controls for cash and inventory.
- To obtain **basic administrative** and **other relevant information** pertaining to the certificate of registration for bingo manager.

Charitable Gaming Statutes*



•Effective as of July 1, 2010

Control of Charitable Gaming: §18.2-340.15



- Charitable gaming is a **privilege**.
- Charitable gaming is permitted in the Commonwealth as a means to **fund qualified organizations**.


Control of Charitable Gaming: §18.2-340.15

- The **Department of Agriculture & Consumer Services** is vested with control of all charitable gaming within the Commonwealth.
- The **Charitable Gaming Board** is vested with the power to prescribe regulations and conditions for charitable gaming to be conducted within the Commonwealth.

Charitable Gaming Board: §2.2-2455

- The Code of Virginia provides that the Charitable Gaming Board be **geographically balanced** as much as possible.
- Membership of the Board consist of:
 - A member from a charitable gaming organization;
 - A charitable gaming supplier;
 - A landlord of a bingo hall;
 - A member who is or has been a law enforcement officer; and
 - Five citizen members.

Definitions: §18.2-340.16




- **“Bingo”** is defined as:
 - Specific game of chance played with individual cards having numbered squares ranging from 1 to 75; and
 - Authorizes electronic bingo devices.
- **“Charitable Gaming Supplies”** is defined as:
 - Bingo paper, instant bingo/seal cards, etc.

Definitions: §18.2-340.16


- “**Gross Receipts**” is defined as:
 - Total amount of money **generated** by an organization from charitable gaming before the deduction of expenses, including prizes.
- “**Jackpot**” is defined as:
 - Prizes must be greater than \$100;
 - Must be designated on the game program as a jackpot game; and
 - No longer is required to be a coverall.

Definitions: §18.2-340.16



- **“Conduct”** is defined as:
 - Calling bingo sessions, selling, distributing prizes, etc.
- **“Management”** is defined as:
 - Handling permits, financial reports, etc.
- **“Operation”** is defined as:
 - Direct on-site supervision of bingo session, coordinating volunteers, etc.

Definitions: §18.2-340.16



- **“Raffle”** is defined as:
 - A prize won by a random drawing of names or prearranged numbers with people purchasing chances; and
 - A prize won by a race of inanimate objects floating on a body of water (duck races).

Powers of the OCG: §18.2-340.18

- Free access to premises devoted to the conduct of charitable gaming.
- Compel the production of records involving charitable gaming.
- Issue subpoenas for witnesses and/or for the compelling the production of records.
- Limit the number of organizations for which a person may **manage, operate or conduct** charitable gaming.

Denial of Permit: §18.2-340.20

- The Department **may** deny, suspend or revoke the permit of any organization **not** in strict compliance with the statutes and regulations governing charitable gaming **only** after the proposed action by the Department has been reviewed and approved by the Board.
- Denying, suspending or revoking a permit is subject to the APA, **except:**
 - Failure to submit all required information with permit application;
 - Failure to file financial reports within 30 days of the deadline; or
 - Criminal warrants being issued by the courts.

Permitted Games: §18.2-340.22



- Games that are **permitted** include:
 - Bingo;
 - Instant Bingo/Seal Cards;
 - Raffles; and
 - Games explicitly authorized by the statutes or regulations governing charitable gaming (i.e. decision bingo, progressive bingo games using predetermined number or patterns).

Permit Eligibility: §18.2-340.24



- Charitable gaming permits are only **valid** for the **locations**, **dates** and **times** designated on them.

Permit: §18.2-340.25



- If a **complete** renewal application is received **45 days or more prior** to the expiration of the permit, the permit **will** continue to be effective until the Department has taken final action. Otherwise, the permit **will** expire on the expiration date.
 - The Department has **no** authority to grant extensions to conduct charitable gaming for applications received less than 45 days prior to the expiration date; therefore
 - Renewal applications need to be **submitted** in a **timely manner**.

Conduct of Bingo: §18.2-340.27



- Authorized payments for a person to play bingo during a bingo session include **cash, check or debit card**.
- May **not** extend lines of credit (i.e. accepting post dated check) or accept credit cards.

Conduct of Bingo: §18.2-340.27

- An organization can conduct bingo no more than **two** calendar days per a **calendar week** and no more than **two** sessions per a **calendar day which are limited to no more than 55 bingo games per session.**
- A special permit may be issued by the Department for more frequent operations of bingo games during carnivals, fairs and state, federal or religious holidays which shall be designated on the permit.

Conduct of Bingo: §18.2-340.27



- A requirement to conduct bingo sessions only in the **adjoining** county, city or town from where the organization has been in existence or met.
 - The Department **may** approve exceptions to this requirement.

Conduct of Instant Bingo/Seal Cards

§18.2-340.28

- Instant bingo/seal card **may** be played as part of a bingo session at such locations and times designated on the permit.
- No individual under the age of 18 can **purchase, play or redeem** instant bingo/seal cards.

Joint Games: §18.2-340.29

- **Two or more** organizations can jointly organize and conduct bingo sessions.



Prohibited Practices: §18.2-340.33

- No qualified organization can enter into a contract with any person for the purpose of organizing, managing or conducting charitable gaming, except:
 - Persons with a **valid** bingo caller/bingo manager certificate of registration; and
 - Organizations composed of the deaf or blind; limited to persons involved with the clerical assistance in the management or operation of charitable gaming.

Prohibited Practices: §18.2-340.33

- Individuals who are **not** affiliated with an organization can be involved in the **conduct** of a bingo session as long as they are **supervised** by a bona fide member of the permitted organization.
 - The **management** and **operation** of a bingo session will continue to be limited to **bona fide members** (30 day requirement) or **official members** of the organizations.

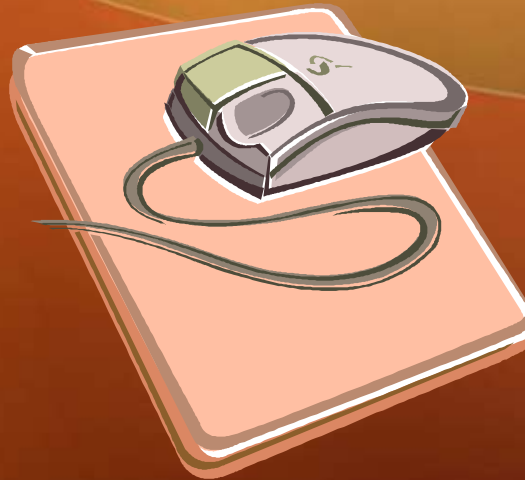
Prohibited Practices: §18.2-340.33

- Remuneration may be paid to uniformed law enforcement officers or uniformed security officers for providing security at the bingo session.
 - Security officer must be with a business licensed by DCJS (**Department of Criminal Justice Service**); and
 - Cannot be involved with the **management, operation** or **conduct** of the bingo session.

Prohibited Practices: §18.2-340.33

- A list of businesses licensed by DCJS can be found on the DCJS's website at:

www.dcjs.virginia.gov/ps/directory/businessSearch.cfm



Prohibited Practices: §18.2-340.33



- No person shall participate in the **management** or **operation** of charitable gaming:
 - Convicted of any felony within the person's lifetime, or
 - Convicted of any misdemeanor involving fraud, theft or financial crimes within the preceding five years.
- No person shall participate in the **conduct** of charitable gaming:
 - Convicted of any felony within the preceding ten years, or
 - Convicted of any misdemeanor involving fraud, theft or financial crimes within the preceding five years.

Prohibited Practices: §18.2-340.33

- Remuneration may be paid to bingo caller/bingo managers who have a **valid** certificate of registration with the Department.
 - **Bingo Caller:** Up to \$100 per session
 - **Bingo Manager:** Up to \$100 per session

Prohibited Practices: §18.2-340.33

- **Prizes Limitations:**
 - **Door Prize:** Up to \$50 for a single prize or \$250 in total cumulative prizes per a session.
 - **Regular/Special Bingo Prize:** Up to \$100
 - **Instant Bingo/Seal Card Prize:** Up to \$599
 - **Jackpot Bingo Prize:** Up to \$1,000 in total prizes per a session

Prohibited Practices: §18.2-340.33

- **Prizes Limitations:**
 - **Progressive Bingo game:** Up to \$100 for up to six individual games per session
 - **Progressive Bingo jackpot prize:** Up to \$5,000 for up to six individual games per session
 - **Raffle Prize:** Up to \$100,000 except for a raffle drawing for a house

Prohibited Practices: §18.2-340.33



- Up to six progressive bingo games are allowed per session.
- All initial progressive bingo game prizes can start out at no more than **\$500** each and are capped at maximum of **\$5,000** each.
- Progressive bingo game may be sold either as a sheet, part of a pack and/or in an electronic bingo device.

Prohibited Practices: §18.2-340.33

- The **choice of pattern** for the progressive bingo game is at the discretion of the organization and the information must be printed on the game program.
- For each type of progressive bingo game, the organization must determine **in advance** the maximum number of balls that will be called during the first bingo session that the particular progressive bingo game is played.

Prohibited Practices: §18.2-340.33

- The **choice of pattern** for the progressive bingo game is at the discretion of the organization and the information must be printed on the game program.
- For each type of progressive bingo game, the organization must determine **in advance** the maximum number of balls that will be called during the first bingo session that the particular progressive bingo game is played.

Prohibited Practices: §18.2-340.33



- Each game, its prize, and the number of balls to be called shall be clearly announced before the game is played.
- If a game is not won within the prescribed number of balls called, the number of balls called will be increased by **one ball** each subsequent session the game is played.

Prohibited Practices: §18.2-340.33



- If the predetermined pattern is not covered with the prescribed number of balls called for that game, then the game will continue until the pattern is covered, in which case only a regular bingo prize (**up to \$100**) is awarded.

Prohibited Practices: §18.2-340.33



- A landlord **cannot**:
 - Participant in the **management, operation or conduct** of charitable gaming at bingo sessions conducted on their premises;
 - Require a particular manufacturer, distributor or supplier of bingo supplies to be used as a condition of their lease or by contract; and
 - Sell, lease or provide bingo supplies such as bingo paper, instant bingo/seal cards, etc.
- This provision shall not apply to any qualified organization conducting bingo games on its own behalf at premises owned by it.

Prohibited Practices: §18.2-340.33



- **Must purchase charitable gaming supplies from a permitted supplier.**
- **May **not** use any charitable gaming gross receipts for an organization's social or recreational activities.**

Bingo Manager: §18.2-340.34.1

- A bingo manager cannot receive remuneration unless person has applied and been issued a certification of registration by the Department.
- An **application** and a **\$75 fee** is required for each year of registration.
- Certificate of registration remains valid for period of **one year** from the date of issuance.

Bingo Manager: §18.2-340.34.1



- **Bingo managers, as a condition of their registration, are required each year to complete a reasonable training course developed & conducted by the Department.**

Bingo Manager: §18.2-340.34.1

- The Department may either **refuse** to register or may **suspend, revoke** or **refuse** to renew a certificate based on the following:
 - Having been convicted of or pleaded nolo contendere to a felony in any state or federal court or has been convicted of any offense committed in the Commonwealth that is a felony;

Bingo Manager: §18.2-340.34.1

- Been **convicted** of or pleaded **nolo contendere** to a crime involving gambling;
- Had any **license, permit, certificate** or other authority relating to charitable gaming in the Commonwealth or any other jurisdiction **suspended** or **revoked**;
- Failed to file or has been delinquent in excess of one year in the filing of any **tax returns** or **payment of any taxes** due the Commonwealth.

Criminal Penalties: §18.2-340.37

- Any person who converts funds derived from any charitable gaming to his own or another's use:
 - If the amount of funds is **less than \$200**, the person shall be guilty of **petit larceny**;
 - If the amount of funds is **\$200 or more**, the person shall be guilty of **grand larceny**; and
 - The provisions of this section shall **not** preclude the applicability of any other provision of the criminal law of the Commonwealth that may apply to any course of conduct that violates this section.

Charitable Gaming Regulations



Definitions: 11 VAC 15-22-10



- “Fiscal year” or “annual reporting period” is defined as:
 - January 1 to December 31 of a given year
- “Game program” is defined as:
 - A written list of all games to be played, including:
 - Sales price of all bingo paper and electronic bingo devices;
 - Pack configuration;
 - Prize amounts to be paid during a session for each game; and
 - Indication whether prize amounts are fixed or are based on attendance.

Permit Eligibility: 11 VAC 15-22-20

- The UOP requirement is at **10%** of the gross receipts, which applies to all organizations.
- Before revoking or suspending a permit, an opportunity to implement a **corrective action plan** must be provided by the Department.
- An option to request a **temporary waiver** to the minimum UOP requirement is available.

Permit Eligibility: 11 VAC 15-22-20

- Modifications to the permit:
 - Any planned changes to the permit still need to be requested at least **30 days** in advance of the proposed effective date.
 - Only **permanent** changes to the permit will require a \$50 fee.
 - Changes in dates, times or locations due to inclement weather, disaster or circumstances outside of the organization's control can be made without changing the permit.
 - Simply notify the Department of the action as soon as possible.
 - No fee for such unplanned changes.

Permit Denial: 11 VAC 15-22-30:1

- The Department **may** revoke, suspend or deny a permit:
 - Organization found in violation of the statutes or regulations governing charitable gaming;
 - Organization is no longer in good standing with the national/state organization;
 - IRS revokes or suspends the organization's tax exempt status; or
 - Organization willfully and knowingly provided false information on its application for a permit.

Permit Denial: 11 VAC 15-22-30:1

- Organization is found to have a member involved with charitable gaming who had been convicted of a crime as follows:
 - Any person participating in the **management** or **operation** of charitable gaming:
 - a) Convicted of a felony, or
 - b) Convicted of any misdemeanor involving fraud, theft or financial crimes within the preceding five years.
 - Any person participating in the **conduct** of charitable gaming:
 - a) Convicted of any felony within the preceding ten years, or
 - b) Convicted of any misdemeanor involving fraud, theft or financial crimes within the preceding five years.

Permit Denial: 11 VAC 15-22-30:1



- Before **revoking** or **suspending** a permit, the Department may work with the organization to correct the problems).
 - The Department can negotiate a consent order with the organization.
- The Department has the authority to set the terms of suspension.

Conduct of Games: 11 VAC 15-22-40

- Involvement of minors during a bingo session:
 - No one under the age of 18 may participate in the **management** or **operation** of the bingo session.
 - Individuals 14 through 17 years of age may only participate in the **conduct** of the bingo session.
 - Written consent from a parent that verifies the date of birth of the minor must remain on file.
 - Your “House Rules” **may** be more restrictive.

Conduct of Games: 11 VAC 15-22-40



- Allows the sales of bingo for a subsequent session to take place during the **30 minute** break as long as the building is **cleared** of patrons from the previous session.
- Food being provided to volunteers onsite is capped at **\$15**.

Conduct of Games: 11 VAC 15-22-40

- Storeroom inventory:
 - **Original invoices** or **legible copies** need to be stored at the same storage space as the gaming supplies;
 - Gaming supplies are to be stored in a secure location with access limited to **bona fide member** of the organization; and
 - Complete inventory needs to be maintained **on the premises** where the bingo session is being held.

Conduct of Games: 11 VAC 15-22-40

- All instant bingo/seal card sales and prize payout **must** be made in accordance with the corresponding flare.
- Charitable gaming supplies must be purchased from a permitted supplier.
- Bingo paper **cannot** be altered once it has been received from the permitted supplier.
- Discounts provided to players is capped at 1% of gross receipts from the prior year.

Gross receipts of \$1 Million = \$10,000 in discounts.

Rules of Play: 11 VAC 15-22-50

- “House Rules” are required for the bingo sessions; must be **consistent** with statutes/regulations.
- Maximum number of faces on a electronic bingo device is limited to **54 faces per a device**.
- Limits volunteers to playing bingo once the **session** begins.

Rules of Play: 11 VAC 15-22-50

- Rules of play for the “**Decision Bingo**” game:
 - The game is to be played on bingo cards in the conventional manner;
 - Players must enter the game by paying a predetermined amount (i.e. **buy-in**) for each card face in play;
 - After calling each set of three numbers, players wishing to continue playing must pay an additional predetermined fee (i.e. **ante**) for each card in play;
 - The prize amount must not exceed \$100; generated by the additional predetermined fee (i.e. **ante**); and
 - The predetermined amounts (i.e. **buy-in** and **ante**) must be listed on the game program and prize amount must be announced to the players before it is paid to the winner.

Rules of Play: 11 VAC 15-22-50

- Rules of play for the “Treasure Chest Raffle” game:
 - The game needs to be listed on the game program as “Treasure Chest Raffle;”
 - The game needs to have “House Rules;” and
 - If the player cannot unlock the treasure chest, then the organization will proceed to open the chest with the correct key.

Bank Accounts: 11 VAC 15-22-60

- All gaming receipts must be deposited in a separate gaming account within **two** business days.
- All expenses other than prizes and food for volunteers must be made by **check** from gaming accounts.
- Bingo session records and bank account records must be maintained for a minimum of **three years** from the close of the fiscal year.

Recordkeeping: 11 VAC 15-22-70



- Requires the use of the Department's game management forms during the bingo session.
- All **discounts**, **door prizes** and **operating expenses** for charitable gaming must be documented.
- Seal card and winning ticket must be maintained for at least 90 days however winner's sign payout slip is maintained for three years.

Financial Reports: 11 VAC 15-22-80



- Annual financial report for each previous fiscal year (i.e. calendar year) will not be due until **March 15 of the following year** (ex. FY 12 report due March 15, 2013).
- All permitted organizations are required to file annual and quarterly financial reports.
- Deadlines for quarterly financial reports:

Quarter Period

1st: January 1 - March 31

2nd: April 1 - June 30

3rd: July 1 - September 30

4th: October 1 - December 31

Due Date

June 1

September 1

December 1

March 1

Financial Reports: 11 VAC 15-22-80



- Late fees for the failure of submitting financial reports to the Department in a timely manner.
 - Late fee is **\$25 a day** up to \$750
 - The Department would rather have you file financial reports in a timely manner.

Reporting Violations: 11 VAC 15-22-120

- Immediately report to the Department:
 - Information pertaining to the misappropriation or theft of funds;
 - Information pertaining to violation of charitable gaming statutes and regulations;
 - Information on any officer, director or game manager who has been convicted of a felony or crimes involving fraud, theft or financial crimes; and
 - Information on changes to the organization's tax status by the Internal Revenue Service.



Internal Controls

Admission Counter



- Limit the **handling** of admission packs, game packs and/or sheets of bingo paper, which is located at the admission counter to those **volunteers** who are assigned to the admission counter.

Admission Counter



- **Adopt an internal procedure to **count** and **verify** the amount of change fund and number of admission packs, game packs and/or sheets of bingo paper assigned to the admission counter **prior to the commencement of sales.****
- **Assign a volunteer to conduct an initial count **prior to the commencement of sales;****
- **Assigned another volunteer to **verify** the accuracy of the initial count; and**
- **Enter the verified initial count onto the Department's admission reconciliation form (**Form 104-A**).**

Admission Counter



- **Adopt an internal procedure to **count** and **verify** the number of admission packs, game packs and/or sheets of bingo paper remaining at the admission counter **after the completion of sales.****
 - **Assign a volunteer to conduct an initial count **after the completion of sales**; and**
 - **Assigned another volunteer to verify the accuracy of the initial count.**
 - **Enter the verified initial count onto the Department's admission reconciliation form (**Form 104-A**).**

Admission Counter



- **Maintain the cash that is generated from the admission counter sales **separately** from all other cash generated at the bingo session until the completion of the cash reconciliation portion of the Department's admission reconciliation form (**Form 104-A**).**

Admission Counter



- Adopt an internal procedure to **complete** and **verify** the information contained within the cash reconciliation portion of the Department's admission reconciliation form (**Form 104-A**).
 - Assign a volunteer to complete the cash reconciliation portion **upon the completion of admission counter sales**; and
 - Assigned another volunteer to **verify** the accuracy of the information within the cash reconciliation portion.

Admission Counter



- If the organization is experiencing a **high number of uncollected checks** from its bingo operations, then consider **accepting only cash**.
- Keep a **reference log** on all **uncollected checks** and share the reference log among the relevant volunteers.
- Adopt an internal procedure to **pre-approve checks** prior to their use by the player at the bingo session.

Bingo Paper Floor Sales



- **Adopt an internal procedure to **count** and **verify** the number of admission packs, game packs and/or sheets of bingo paper assigned to floor sales **prior to the commencement of such sales.****
 - **Require a volunteer to conduct an initial count **prior to the commencement of floor sales**;**
 - **Require the volunteer who is assigned to conduct floor sales to **verify** the accuracy of the initial count; and**
 - **Enter the verified initial count onto the Department's floor sales reconciliation form (**Form 104-B**).**

Bingo Paper Floor Sales



- **Adopt an internal procedure to **count** and **verify** the number of admission packs, game packs and/or sheets of bingo paper remaining from floor sales **after the completion of such sales.****
 - **Require the volunteer who is assigned to conduct floor sales to conduct an initial count **after the completion of floor sales;****
 - **Assigned another volunteer to verify the accuracy of the initial count; and**
 - **Enter the verified initial count onto the Department's floor sales reconciliation form (**Form 104-B**).**

Bingo Paper Floor Sales



- Adopt an internal procedure to **limit the amount of cash** that a volunteer has in their **possession** when selling admission packs, game packs and/or sheets of bingo paper on the floor by requiring **frequent deposits**.

Instant Bingo/Seal Card Sales



- Check the **serial number** of the redeemed winning instant bingo/seal card tickets against the corresponding flare prior to payment.
- Maintain the cash that is generated from the instant bingo/seal card sales **separately** from all other cash generated at the bingo session until the completion of the cash reconciliation portion of the Department's instant bingo/seal card/pull-tab reconciliation form (**Form 105**).

Instant Bingo/Seal Card Sales



- Limit the **handling** of instant bingo/seal card/pull-tabs to those **volunteers** who are assigned to the instant bingo/seal card/pull-tab counter.

Instant Bingo/Seal Card Sales



- Adopt an internal procedure to **count** and **verify** the number of instant bingo/seal card tickets assigned to floor sales **prior to the commencement of such sales.**
 - Require a volunteer to conduct an initial count **prior to the commencement of floor sales;**
 - Require the volunteer who is assigned to conduct floor sales to **verify** the accuracy of the initial count; and
 - Enter the verified initial count onto a separate floor sales reconciliation form.

Instant Bingo/Seal Card Sales



- **Adopt an internal procedure to **count** and **verify** the number of instant bingo/seal card tickets assigned to floor sales **after the completion of such sales.****
 - **Require the volunteer who is assigned to conduct floor sales to conduct an initial count **after the completion of floor sales;****
 - **Assigned another volunteer to verify the accuracy of the initial count; and**
 - **Enter the verified initial count onto a separate floor sales reconciliation form.**

Instant Bingo/Seal Card Sales



- Adopt an internal procedure to **limit the amount of cash** that a volunteer has in their **possession** when selling instant bingo/seal card tickets on the floor by requiring **frequent deposits**.

Cash Management



- **Adopt an internal procedure to permit a volunteer to **verify** the cash received from a player at anytime during the transaction.**
 - **Require the volunteer to count the amount of cash received by the player and to verify their count prior to the completion of the transaction.**
 - **Require the volunteer to maintain the cash received by the player separate from all other cash until the completion of the transaction.**

Cash Management



- **Adopt an internal procedure to require volunteers to maintain constant control of the cash received from the players.**
 - **Never leave cash unattended during the bingo session.**

Inventory Management



- Check the storeroom inventory forms (**Form 109-A & Form 109-B**) against the actual storeroom inventory at least quarterly.
- Check the **invoices** that are issued by the supplier against the **actual delivery**.
- Limit the **access** of the storeroom to certain members.
- Ensure that the storeroom is **secure** at all times.

Inventory Management



- Adopt an internal procedure to **limit the access** of the storeroom at the **beginning** and **end** of the bingo session.
 - Maintains an easier control on the inventory.
- Adopt an internal procedure to utilize the storeroom issue inventory forms (**Form 106-A & Form 106-B**).

Game Management



- Identify the **positions** and their **functions** within a bingo session; train the volunteers to those positions.

Bingo Manager Certificate of Registration



Information

Basic Administrative Information

- A valid certificate of registration **only** applies to the **individual** and the **time period** that are listed on it.
- Notify the Department **in writing** of any changes in personal information pertaining to the certificate of registration including, but not limited to:
 - Mailing address;
 - Contact information; and
 - Name change.

Other Relevant Information

- **Individuals are encouraged to research, understand and comply with any potential federal and/or state tax requirements as a result of possessing a valid certificate of registration.**
 - **Internal Revenue Service**
Website: www.irs.gov
 - **Virginia Department of Taxation**
Website: www.tax.virginia.gov

Bingo Manager Training Session



Thank You!