

Charitable Chatter

License Changes-Important Information!

All organizations are required to be day- and time-specific on **all** charitable gaming activities for their license. When completing your application, please fill in all areas that require this information. If your organization does not know when they will conduct their gaming activities (except bingo), please note that they will be required to apply for a temporary license before they can conduct their activity. Each temporary license fee is \$25.00.

For instance, if your organization will be selling pull tabs once per month, please include the day (ex. 1st Saturday), with the times the pull tabs will be sold. If an organization only wishes to conduct a raffle one time per year, they would list the date the raffle drawing will take place. Otherwise, the license will state "Raffle(s) - Annually (Requires Special License)" and the organization would not be permitted to conduct the raffle without the special license, costing the organization an additional \$25. Below are a few sample images to indicate how the licenses will look.



Only gaming information (types, days, times and locations) will be listed on the license. The organization is held to the gaming types, days, times and locations listed on the license. No other gaming activity can occur without an additional license in their possession.

Revision Requests—Important Information!

The Department of Charitable Gaming will no longer process license changes that require the printing of a new license if there are matters that have not been rectified by the organization. These include, but are not limited to: unpaid fees, unpaid fines, unfiled financial reports, the licensee being out of compliance with settlement agreement, etc.

Pursuant to 820 KAR 1:015 Sec. 1(5), the office shall issue a license if the applicant has met the requirements for licensure set forth in KRS 238.535, paid all fees and fines, filed all reports required, filed an acceptable financial plan if required, and complied with all terms and conditions of any applicable settlement agreement or probationary terms.

Licensing & Compliance Corner

Withholding Prize Payouts Due To Patron's Cold-Checks:

Charities cannot withhold prize payouts because the patron has written cold checks to the charity. The charity does not have the authority to collect monies for the insufficient funds (bad check) using this particular method. Organizations would be in violation of:

820 KAR 1:046 Section 2 (1)
820 KAR 1:046 Section 8 (5)
820 KAR 1:046 Section 9 (11)

"Absent a court order of garnishment which would allow the charity to collect on a judgment—the charity must award the prize(s) - then use whatever self-help remedy they [charity] choose to have the prize winner make good on the check."

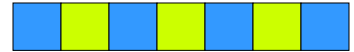
Raffle Tickets as a Merchandise Prize:

The department has been informed that licensed charities are giving away raffle tickets as merchandise prizes and then drawing from the raffle tickets given away.

This is in violation of KRS 238.545 (3) which states "**Tickets for a raffle shall be sold** separately, and each ticket shall constitute a separate and equal chance to win. All raffle tickets shall be sold for the price stated on the ticket, and no person shall be required to purchase more than one (1) ticket or to pay for anything other than a ticket to enter a raffle. Raffle tickets shall have a unique identifier for the ticket holder. Winners shall be drawn at random at a date, time, and place announced in advance or printed on the ticket. All prizes for a raffle shall be identified in advance of the drawing and all prizes identified shall be awarded."

CG-VOL Volunteer Sign-up Sheet:

It was noted in the department's 1st Quarter 2011 newsletter that the Volunteer Sign-up Sheet (CG-VOL) is required for the conduct, management and drawing of a raffle. After a complete review of 820 KAR Chapter 1 and KRS 238, the department has determined that the Volunteer Sign-up Sheet is not required for Charity Fundraising Events (CFE) or raffle draws.



Renewal Application

Dos:

- Send in amended articles of incorporation and/or bylaws as they are updated.
- Send in amended or new lease agreements.
- Provide previous calendar year revenue and expenditures on renewal applications.
- Provide all officers of the organization on applications.

Renewal

Application Don'ts:

- Do not send Form 990
- Do not send cancelled checks
- Do not list revenue or expenses that are charitable gaming related.
- Do not copy previous application.

New Training Session Initiative:

The department has developed a training presentation, to be held in Frankfort, which covers internal control, session worksheets and the financial report. This training is available to all charities, particularly those under a settlement agreement. The current dates for this training are: July 7, September 1 and Nov. 3, 2011. Class begins at 10:00am and should let out around 12:00pm, if not earlier. Organizations can register for this training via the department's web site. www.dcg.ky.gov

Department of Charitable Gaming

132 Brighton Park Blvd.
Frankfort, KY 40601

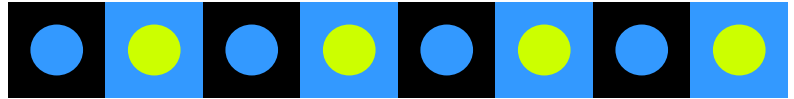
Phone: 502-573-5528
Toll Free: 800-729-5672
Fax: 502-573-6625
Website: www.dcg.ky.gov

The Department of Charitable Gaming will not sell or share your email address. We use your email address as an avenue to communicate with you more efficiently!



Make the most of your special licenses!

When filling out a Form CG-Schedule-A for a special event, your organization is permitted to conduct any charitable gaming during that event. If you wish to conduct multiple gaming activities, please mark the number of each game listed on the application.



Pro-rated Licenses:

Does your organization conduct officer elections just after you have renewed your license? Does your special event fall during the renewal period of your license? If you answered 'yes' to either of these questions or there is another reason why your organization would like to adjust their effective and expiration dates on their license, please let us know during the renewal period. We will review your request and upon approval pro-rate your license to expire during a better time for your organization. We will lengthen the time frame on the new license, not the current license.

Fingerprint Cards

If you are requested to complete a fingerprint card for a national criminal history check, we are now required to issue two (2) fingerprint cards to each person being printed. Please keep one of the cards in reserve and without prints until or unless you receive notification that the first printing was rejected. The purpose of the extra card is in case there is an error. Additionally, we are sending out a form for the official that takes your prints to complete. Please return this form along with one completed fingerprint card.

Financial Reporting

Facility Reports

Pursuant to KRS 238.555 (2) (c) in the application process, an applicant for a charitable gaming facility shall submit the names, addresses, dates of birth and social security numbers of all individuals employed by or contracted with the applicant to manage the facility or provide other authorized services. The CG-FAC/QR also requires these individuals to be listed quarterly on Page 2. If the facility has any changes to their employees or contractees during the license year, the department must be notified within 30 days of the change.

Filing Status

820 KAR 1:025 Section 1 (1) states that a licensed charitable organization that has gross receipts of \$200,000 or less per calendar year and does not have a weekly bingo session, may submit their CG-FIN and fee due on an annual basis. The department asks that an organization submit in writing their intentions to file annually or quarterly if the organization is changing their filing status. In addition, an organization that currently files annually and wishes to begin filing quarterly, will be required to submit the annual report for the current year and begin filing quarterly in April of the following year. An organization that currently files quarterly and wishes to begin filing annually, will be required to file quarterly for the remainder of the current year and may begin filing annually the following calendar year.

REMINDER: Please notify the department of any cancellations or changes in your gaming activity.