

# Training Manual



## GUIDE TO CHARITABLE GAMING IN THE COMMONWEALTH OF KENTUCKY

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This handbook was prepared by the Department of Charitable Gaming to assist organizations in complying with the charitable gaming laws. It is intended as a guide only, and in no way supersedes statutory provisions, administrative regulations or case law.



All forms, applications, worksheets, and financial reports are available on the website, [www.dcg.ky.gov](http://www.dcg.ky.gov).

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**DISCLAIMER: This material is prepared for informational purposes only. The contents of this training manual shall not be construed as legal advice and is not intended to create an attorney-client relationship.**

## **I. GENERAL PROVISIONS**

### **A. Charitable Gaming**

- Bingo, charity game tickets, raffles, and approved games of chance at charity fundraising events conducted for fundraising purposes by charitable organizations. KRS 238.505(2), (8).
- Charitable gaming shall not include slot machines, electronic video gaming devices, wagering on live sporting events, or simulcast broadcasts of horse races. KRS 238.505(2).
- A charitable organization is a nonprofit entity organized for charitable, religious, educational, literary, civic, fraternal, or patriotic purposes. KRS 238.505(3).
- Any charitable organization conducting charitable gaming in Kentucky is required to be licensed by the Department. KRS 238.535(1).

### **B. Location of Gaming**

- Charitable gaming must be conducted by a licensed charitable organization at the location, date, and time which must be stated on the license. KRS 238.540(1).

### **C. License Displayed**

- The license to conduct charitable gaming must be prominently displayed at the location where charitable gaming is conducted and must be visible and readily accessible to gaming patrons, employees of the Department, law enforcement officials, and other interested officials. KRS 238.540(3).

### **D. Chairperson**

- A chairperson is any officer, member, or employee of a licensed charitable organization who will be involved in the management and supervision of charitable gaming as designated in the organization's charitable gaming license application. KRS 238.505(24) and KRS 238.540(4).

- The Chief Executive Officer (“CEO”) or director of the applicant organization is automatically a chairperson. KRS 238.505(24) and KRS 238.535(9)(g).
- An organization must have at least two (2) chairpersons other than the CEO or director. KRS 238.535(9)(g).
- An organization may have as many chairpersons as it wishes. KRS 238.535(9)(g).
- You can only be a chairperson for one (1) organization at a time. KRS 238.540(4).
- At least one (1) chairperson must be at each gaming activity and be responsible for the administration and conduct of the activity. KRS 238.540(4).
- The chairperson must:
  - Be in charge of the licensed gaming occasion;
  - Supervise and direct all volunteers; and
  - Be responsible for assuring the proper receipt and recording of gaming funds. 820 KAR 1:055 Section 3 (2).
- The chairperson must be readily identifiable as the chairperson and must be present on the premises continuously during the gaming activity. KRS 238.540(4).
- An applicant for any license must be subjected to a state criminal history background check and, potentially, a national criminal history background check. This applies to all CEO’s, chief financial officers (“CFO”), or directors of any applicant, and anyone designated as a chairperson. KRS 238.525(3)

**E. Volunteers**

- Anyone can volunteer for an organization. You do not have to be a member. KRS 238.540(4).
- All volunteers have to be readily identifiable as a volunteer. KRS 238.540(4).
- All volunteers involved in charitable gaming must be trained in the proper conduct of the game and the control of funds. 820 KAR 1:036 Section 1 (1); 820 KAR 1:046 Section 1 (1); 820 KAR 1:055 Section 3 (1); 820 KAR 1:057 Section 2 (1).
- A volunteer at a gaming occasion at which pulltabs are sold cannot purchase or play pulltabs at that occasion, except for a charity fundraising event. 820 KAR 1:036 Section 1 (5).

- At a charity fundraising event, a volunteer may purchase or play pulltabs on a day the volunteer does not work, and from a deal the volunteer does not sell. 820 KAR 1:036 Section 1 (5).
- A volunteer at a bingo session cannot play bingo unless their duties are finished. If they start playing bingo, they cannot volunteer for the rest of the night. 820 KAR 1:046 Section 1 (7).

## **F. Compensation**

- Volunteers cannot receive any compensation for services related to the gaming activities, including tipping. KRS 238.540(4).
- No net receipts derived from gaming can inure to the private benefit or financial gain of any individual. KRS 238.540(4).
- Any effort or attempt to disguise any other type of compensation or private inurement is considered an unauthorized diversion of funds and shall be actionable under the criminal penalty section. KRS 238.540 (4).
- An organization must do one (1) or more of the following to inform the public that its volunteers are unable to accept tips or other forms of gratuitous conduct:
  - Post signs in a conspicuous location stating volunteers are not permitted to accept tips;
  - Include a notation in a conspicuous location on an occasion program that volunteers are not permitted to accept tips; or
  - Make an announcement immediately prior to the beginning of the charitable gaming session or event that volunteers are not permitted to accept tips. 820 KAR 1:060 Section 1 (1).
- An organizations can do the following for its volunteers:
  - Provide up to \$10 worth of food and drink per day to be consumed on the premises where charitable gaming occurs;
  - Provide any identifying article of clothing that is worn by the volunteer while volunteering for the organization; or
  - In a raffle, award any non-cash item whose fair market value is not more than \$25 to volunteers upon achievement of predetermined goals in the conduct of a raffle (who ever sells the winning ticket, who ever sells the most tickets, etc). 820 KAR 1:060 Section 1 (2), (3).
- Organizations must report what they spend on volunteers on the financial report. 820 KAR 1:060 Section 1 (4).

- A rebuttable presumption of compensation is created if a person volunteers at more than 4 gaming occasions a week, excluding charity fundraising events. 820 KAR 1:060 Section 2 (1).
- A rebuttable presumption of compensation is created if a person volunteers at more than four (4) special limited charitable fundraising events per year. 820 KAR 1:060 Section 2 (2).

**G. No Consultants**

- You cannot use a management company, service company, or consultant to manage or conduct any aspect of charitable gaming. KRS 238.540(5).

**H. Must Use Licensed Distributor**

- You must obtain your charitable gaming supplies and equipment from a distributor that is licensed by the Kentucky Department of Charitable Gaming. KRS 238.540(6).

**I. Cannot Get Prizes Donated from Facility, Distributor or Manufacturer**

- Merchandise prizes cannot be donated by a licensed manufacturer, distributor, charitable gaming facility, or any of their owners, officers, employees, contractees, affiliates, or members of their immediate families. KRS 238.540(7).

**J. Advertisement**

- All advertisements regarding charitable gaming must contain the name and license number of the charitable organization. KRS 238.540(8).
- You cannot advertise a bingo prize in excess of \$5,000 per 24 hour period. KRS 238.540(8).
- You can advertise pulltab, raffle, or any other game prize at any amount.

**K. Calendar**

- "Week" means a seven (7) day period beginning on Sunday and ending Saturday. 820 KAR 1:001 Section 1 (77).
- "Year" means calendar year except in regard to how many charity fundraising events or special limited fundraising events can occur and then it means license year. KRS 238.505(25).

**L. Gaming Occasion**

- "Gaming occasion" means an event at which charitable gaming takes place, such as a bingo session, a charity fundraising event, a special limited charity fundraising event, a sale of pulltabs, or a sale of raffle tickets. 820 KAR 1:001 Section 1 (33).

**M. House Rules**

- If the organization has house rules concerning its gaming occasion, the house rules must:
  - Be posted in at least two (2) conspicuous locations at the gaming occasion and announced prior to the commencement of the gaming occasion, or be listed on the program;
  - Not conflict with the statute or administrative regulations;
  - Be followed; and
  - Include the organization's name and license number.820 KAR 1:036 Section 1 (6) and 820 KAR 1:046 Section 1 (8).

**N. Gaming Inspections**

- A compliance officer, investigator, auditor, or any other employee authorized by the Department may inspect the conduct of gaming by a licensed or exempt organization to ensure that it complies with all the statutes and administrative regulations of the Department. KRS 238.560 and 820 KAR 1:125 Section 1.
- A compliance officer, investigator, auditor, or any other employee authorized by the Department may inspect the operation of a charitable gaming facility to ensure that it complies with all the statutes and administrative regulations of the Department. KRS 238.560 and 820 KAR 1:125 Section 1.

**O. Age Limit for Playing and Volunteering**

- Bingo
  - A person under eighteen (18) years of age cannot play unless accompanied by a parent or legal guardian and only for non-cash prizes the value of which cannot be more than ten (\$10) dollars. KRS 238.545(1)(a).
  - A person under eighteen (18) years of age can volunteer at bingo, unless otherwise prohibited by law.

- Pulltabs
  - A person under eighteen (18) years of age cannot play pulltabs or open a pulltab in any manner. KRS 238.545(2).
  - A person under eighteen (18) years of age can sell pulltabs, unless otherwise prohibited by law.
- Raffles
  - A person under eighteen (18) years of age can buy and sell raffle tickets. KRS 238.545(3).
- Charity fundraising event games
  - A person under eighteen (18) years of age can play approved games of chance at a charity fundraising event (CFE) with certain exceptions listed below:
    - No person under the age of eighteen (18) is permitted to play bingo at a CFE unless accompanied by a parent or legal guardian.
    - No person under eighteen (18) is permitted to play or conduct any special limited charitable games. KRS 238.545(4).

**P. Delivery of Gaming Supplies**

- A distributor may deliver gaming supplies to an agreed place or to an identified person. 820 KAR 1:032 Section 11 (2); 820 KAR 1:042 Section 5 (2).
- If they deliver to a person, the person must sign the invoice. 820 KAR 1:032 Section 11 (1)(k) and 820 KAR 1:042 Section 5 (1)(n).
- If they deliver to a place, it must be secure. For instance, a distributor can put your gaming supplies into your storage locker but cannot leave them outside the locker.
- An invoice from a distributor is presumed to be correct unless challenged within seven (7) days of delivery. 820 KAR 1:032 Section 11 (2) and 820 KAR 1:042 Section 5 (2).
- Any challenge to an invoice must be made in writing to the distributor and a copy must be sent to the Department. 820 KAR 1:032 Section 11 (2) and 820 KAR 1:042 Section 5 (2).

**Q. Storage of Gaming Supplies**

- You must maintain your gaming supplies in a location separate from another organization's gaming supplies. This location must be locked

and access must be controlled. 820 KAR 1:036 Section 1 (4) and 820 KAR 1:046 Section 1 (6).

- If someone can get in the storage area with little effort, access is not controlled.
- A distributor representative may have a key to an organization's locked storage area if that is the organization's "agreed place" for delivery as stated in 820 KAR 1:032 Section 11 (2) and 820 KAR 1:042 Section 5 (2).
- You cannot store an extra set of bingo balls at the caller's stand. They should be stored with the other charitable gaming supplies. 820 KAR 1:046 Section 1 (6).

**R. Gaming at Same Time**

- More than one (1) charitable organization cannot conduct gaming at the same time and location as another charitable organization except for a licensed charity fundraising event. 820 KAR 1:046 Section 1 (4).

**S. Defects and Recalls**

- If you discover a defect in the packaging or construction of a pulltab you should report it to the distributor within 15 days. 820 KAR 1:032 Section 12 (1).
- The distributor must correct the defect or replace the defective items within a reasonable time, if possible. 820 KAR 1:032 Section 12 (1).
- If they do not, you should contact the Department.

## II. LICENSING RULES

### A. Exempt Organizations

- A complete, accurate, and verifiable CG-EXE must be submitted at least 30 days prior to the expected date of gaming. KRS 238.535(2) and 820 KAR 1:005 Section 1 (1).
- The form will not be considered complete until all deficiencies are resolved. 820 KAR 1:005 Section 1 (2).
- If the organization does not respond to a deficiency request within 30 days, the form will be deemed withdrawn and the organization cannot game. 820 KAR 1:005 Section 1 (3).
- The Department will issue a “Notification of Exemption” if the organization has submitted a complete form and meets the requirements for licensure. 820 KAR 1:005 Section 1 (4).
- The organization is not required to file an additional exemption request form with the Department if the gaming activities of the organization remain exempt. 820 KAR 1:005 Section 1 (5).
- The organization must notify the Department of any changes in the information contained on the form within 30 days. 820 KAR 1:005 Section 1 (6).
- An organization possessing an exemption must file an annual report with the Department before December 31 of each year. KRS 238.550(5), KRS 238.535(2), and 820 KAR 1:005 Section 1 (7).
- The failure to file the report constitutes grounds for revocation of the exemption. KRS 238.550(5).
- If an organization exceeds the limit of \$25,000 in gross gaming receipts per calendar year it must: 1) report the amount to the Department, and 2) apply for a retroactive charitable gaming license. KRS 238.535(3).

### B. Annual License

#### 1. Licensing Qualifications

- In order to qualify for a license an organization must:
  - Have a 501 (c)(3), (4), (8), (10), or (19) status from the IRS; or be a common school, an institution of higher education, or a state college or university as defined by statute;
  - Be established and continuously operating from an office in Kentucky for charitable purposes as shown by its conduct of

- charitable activities, other than the conduct of gaming, for a period of three (3) years prior to the application for license;
  - Have been actively engaged in charitable activities during the three (3) years immediately prior to application, and be able to demonstrate, to the satisfaction of the Department, reasonable progress in accomplishing its charitable purposes during this period; and
  - Have maintained an office or place of business, other than for the conduct of charitable gaming, for one (1) year in the county in which charitable gaming is to be conducted, with the exception of raffles and charity fundraising events. KRS 238.535(8).
- Exception to the rule that the office must be in Kentucky for three (3) years:
  - An organization that operates for charitable purposes in more than 10 states, and whose principal place of business is physically located in a state other than Kentucky, may satisfy the requirements if it can document that it has:
    - Been actively engaged in charitable activities and has made reasonable progress in accomplishing its charitable purpose in the conduct of charitable activities or expenditure of funds within Kentucky for three (3) years; and
    - Has had an office in the county in Kentucky where it proposes to conduct gaming, and where it has operated for charitable purposes, for one (1) year.
 KRS 238.535(8)(b).

## 2. Reasonable Progress

- “Reasonable progress” means the regular and uninterrupted conduct of activities within Kentucky or the expenditure of funds within Kentucky to accomplish relief of poverty; advancement of education; protection of health; relief from disease; relief from suffering or distress; protection of the environment; conservation of wildlife; advancement of civic, governmental, or municipal purposes; or advancement of charitable, religious, educational, literary, civic, fraternal, or patriotic purposes. KRS 238.535(8)(c) and KRS 238.505(3).
- In order to demonstrate reasonable progress in accomplishing its charitable purposes when applying to renew an existing license, a

licensed charitable organization must provide to the Department a detailed accounting regarding its expenditure of charitable gaming net receipts for the purposes described above. KRS 238.535(8)(c).

- A licensed organization must expend net receipts from gaming exclusively for purposes consistent with the charitable, religious, educational, literary, civic, fraternal, patriotic functions or objectives for which the licensed charitable organization received and maintains federal tax exempt status, or consistent with its status as a common school, an institution of higher education, or a state college or university. KRS 238.550(4).

### **3. County Requirement**

- Once the license is granted, the organization must conduct all charitable gaming events in the county in which its license was issued except it may hold a raffle, a charity fundraising event (CFE), or a special limited charity fundraising event (SLCFE) in a different county, so long as the county where the raffle, CFE, SLCFE is being held is noted on the license. KRS 238.535(8)(d).

### **4. Criminal History**

- Applicants for organization licenses are subject to a state criminal history background check and may, if deemed reasonably necessary, be subjected to a national criminal history background check with the assistance of the Kentucky State Police (“KSP”) and the FBI. KRS 238.525(3).
- The criminal history background check applies to the: CEO, CFO, or director of an applicant; any employee or member of an applicant who has been designated as chairperson; any individual with a 10% or more financial interest in the applicant; and the applicant itself. KRS 238.525(3).
- Fingerprints are required for the national background check. KRS 238.525(3).
  - For an organization, the following persons are required to submit a fingerprint card if they reside out of state:
    - The CEO;
    - The CFO; and
    - Each chairperson.

820 KAR 1:015 Section 1 (6).

- For manufacturers, distributors, and facilities, the Department requires the fingerprinting of all applicants.
- The Department may charge a reasonable fee not to exceed the actual cost of fingerprinting and records searching. KRS 238.525(3).
- Under the charitable gaming laws, an organization cannot be licensed or maintain a license if an individual associated with the organization, or the organization itself, has been convicted within the last ten (10) years of:
  - A felony;
  - Two misdemeanors; or
  - Whether a felony or misdemeanors, a conviction involving:
    - A gambling offense;
    - Criminal fraud;
    - Forgery;
    - Theft;
    - Falsifying business records; or
    - Making a false entry in the business records of a charitable organization; altering, erasing, obliterating, deleting, removing, or destroying a true entry in the business records of a charitable organization; failing to make a true entry in the business records of a charitable organization in violation of a duty to do so that he knows to be imposed upon him by law or by the nature of his position; or preventing the making of a true entry or causing the omission thereof in the business records of a charitable organization. KRS 238.525(4) and KRS 238.995(7).

## **5. Application**

- All applicants must submit a complete, accurate, and verifiable application at least sixty (60) days prior to the expiration of your license or the expected date of gaming. 820 KAR 1:015 Section 1 (1).
- An application will not be considered complete until all the deficiencies are resolved. 820 KAR 1:015 Section 1 (2).
- If you do not file a written response to a deficiency request within thirty (30) days, or do not provide the requested documents, the application will be deemed withdrawn. 820 KAR 1:015 Section 1 (3).

- The Department has sixty (60) days to grant or deny a license after a complete application, with no deficiencies, has been submitted. 820 KAR 1:015 Section 1 (4).

**6. Helpful Hints for Completing the Application**

- You must send the \$25 processing fee with the application.
- You will be invoiced for the remaining fee and the fingerprint and criminal history charge after the application is processed.
- If a question does not apply to your organization, please mark the answer “N/A.”
- Make sure all officers of the organization, as shown in the by-laws for your organization, are listed on the license application.
- When listing a chairperson, please mark whether they are a member, officer, or employee of the organization.
- The Department evaluates the structure of your organization based on your by-laws or the structure as stated in your application.
- One of the main causes for a deficiency letter is that an organization does not clearly describe how it has generated money or how it has spent the money to further its charitable purpose.

The following is a guideline of what a license reviewer is expecting when reviewing how an organization generated and spent money towards its charitable purpose.

- For example, last year your organization generated \$1,500 in dues, \$10,000 in grants, \$2,000 in donations, \$3,000 from an event, and \$750 in bake sales. The organization’s answer to (10)(a) on the license application should look like this:

<b>Type of Revenue</b>	<b>Amount 1 Year Prior Year _____</b>
Dues	\$1,500
Grants	\$10,000
Donations	\$2,000
Activities/Events	\$3,000
Sale of Items	\$750

- For example, last year your organization spent \$20,000 in scholarships, \$12,250 in assistance to the needy, \$5,800 in office equipment and supplies, \$3,400 in utilities, and donated \$1,600 to another organization that was consistent with their charitable purpose. Your answer to (10)(b) on the license application should look like this:

<b>Type of Expenditure</b>	<b>Amount 1 year prior Year _____</b>
Scholarships	\$20,000
Assistance to the Needy	\$12,250
Office Equipment/Supplies	\$5,800
Utilities	\$3,400
Donations	\$1,600

## 7. Licensing Inspections

- The Department may verify the information contained in the application by conducting an office inspection. 820 KAR 1:017 Section 1 (1).
- The organization must be able to demonstrate its establishment and reasonable progress by independent and verifiable information. 820 KAR 1:017 Section 1 (1)(a).
- This information may include contracts or leases, utility bills, records maintained by the parent organization, bank records, and any other records that are deemed appropriate. 820 KAR 1:017 Section 1 (1)(b).
- The inspection will be completed by appropriate Department personnel who will file a report. 820 KAR 1:017 Section 1 (4).

## 8. Issuance

- Once the Department has received a complete application it has sixty (60) days to grant or deny the license. 820 KAR 1:015 Section 1 (4).
- The annual license term is for 1 year from the effective date of the license. 820 KAR 1:015 Section 3 (4).
- The Department will issue a license if:
  - The applicant has met the requirements contained 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.
- 820 KAR 1:015 Section 1 (5).

## **9. Changes**

- If you want to change the date, time, or location of a gaming occasion, you must submit a written request signed by an officer, and a lease, if applicable, for the gaming location to the Department by U.S. postage prepaid mail, hand-delivery, electronic mail, or facsimile transmission at least ten (10) days prior to the date of the requested change. 820 KAR 1:015 Section 4 (1)(a).
- The Department will process this request and issue or deny a license within ten (10) days. 820 KAR 1:015 Section 4 (1)(b).
- You cannot engage in gaming at the new date, time, or location if the new license has not been received. 820 KAR 1:015 Section 4 (1)(c).
- If you want to change any other information contained in the license application, you must submit those changes in writing no later than thirty (30) days after the change is made. The change request must be signed by an officer. 820 KAR 1:015 Section 4 (2).
- A \$25 nonrefundable processing fee applies. 820 KAR 1:015 Section 3 (2).

## **10. Fees**

- A nonrefundable processing fee of \$25 must accompany each application for licensure and is credited against the amount of the annual license fee. 820 KAR 1:015 Section 3 (2).
- The annual license cannot be issued until the license fee and any other outstanding fees or fines are paid in full. KRS 238.560(3)(c), 820 KAR 1:015 Section 3 (3), and 820 KAR 1:130 Section 4 (1)(d).
- The annual license fee for an organization is:
  - \$100 for an organization upon initial application and for a renewing organization with gross receipts not in excess of \$100,000;
  - \$200 for a renewing organization with gross receipts over \$100,000, but not in excess of \$250,000; or

- \$300 for a renewing organization with gross receipts over \$250,000.  
820 KAR 1:015 Section 3 (1).
- The Department charges a renewal fee which does not exceed \$300. KRS 238.525(1) and KRS 238.535(12).

New License Fee	\$100 (includes \$25 non-refundable processing fee)
Renewal Fee	\$100, \$200 or \$300 - based on gross receipts from last year (includes \$25 non-refundable processing fee)
Criminal History	\$20
Fingerprint	\$16.50
Form CG-Schedule A (charity fundraising event license)	\$25
Day, Time, or Location Change	\$25
Raffle Drawing Change	\$25
Officer/Chairperson/Other Information Change	Subject to KSP background and FBI fingerprint fee, if applicable.

## 11. Facility Leases

### a. Statutory requirements for the lease

- KRS 238.555(4) sets forth the requirements for a facility lease.
- The statute requires that the facility provide the following services to the organization:
  - Gaming space;
  - Utilities;
  - Insurance for the premises;
  - Parking;
  - Tables and chairs, and other non gaming equipment necessary for the conduct of charitable gaming;
  - Adequate storage space;

- Security; and
    - Janitorial services.
  - These costs must be itemized in the lease.
  - The organization can choose to provide these services for itself. If the organization is providing these services it must be clearly noted in the lease.
  - If the organization opts out of any of the services the facility is legally obligated to provide, the facility must reduce the rent accordingly.
  - The rent charged to the organization, including the cost of goods and services provided, must be reasonable and based on the prevailing market values for the area where the facility is located.
  - The facility is not allowed to charge your organization rent based on a percentage of the gross income or net receipts your organization derives from gaming, or based upon the number of people that might attend a particular session.
  - You must obtain a lease even from a facility that is not a licensed charitable gaming facility. For example, a person with a large building agrees to allow your organization to game there. Your organization will be the only one using the building for gaming. The owner of the building does not have to obtain a facility license from the Department of Charitable Gaming, as only one (1) organization will be gaming there, but you must still execute a lease with the building owner and they must agree to provide the same services as a licensed facility.
- KRS 238.555(4).

**b. Suggestions before signing a facility lease**

- Take your time when considering whether to sign a lease.
- Review the lease terms away from the facility owner. Do not be pressured into signing a lease.
- Know exactly what each term means in a lease before you obligate your organization by signing it.
- If you have any questions, you should consult your attorney.
- Understand the provisions in regards to changing the lease and/or terminating the lease if you want to make changes to your gaming after the lease is signed.
- A signed lease is a valid and enforceable document. Again, you may wish to consult your attorney.

**12. Use of Distributors**

- You can use any distributor licensed by the Kentucky Department of Charitable Gaming for all gaming supplies, including card-minding devices. KRS 238.540(6).
- You may use multiple distributors.

### III. BINGO

#### A. Weekly Bingo Session Limitations

- You can have one (1) bingo session per day for a period not to exceed five (5) hours. You can have two (2) bingo sessions per week for a period not to exceed five (5) hours in any day and ten (10) hours per week. KRS 238.545(1)(a).
- You cannot conduct bingo at more than one (1) location during the same twenty-four (24) hour period. KRS 238.545(1)(a).
- You cannot award prizes for bingo that exceed \$5,000 in fair market value per twenty-four (24) hour period including the value of door prizes. KRS 238.545(1)(a).
- You cannot advertise a bingo prize in excess of the limitation of \$5,000. KRS 238.540(8)
- No person under the age of eighteen (18) can purchase bingo supplies. No person under the age of eighteen (18) can play bingo unless the organization permits them to play. If the organization allows them to play, they can only play if they are accompanied by a parent or legal guardian, and can only play for noncash prizes the value of which is not more than \$10. KRS 238.545(1).

#### B. Gaming Occasion Program

- “Gaming occasion program,” “bingo program,” “occasion program,” or “program” means a written list of all games to be played and prize amounts to be paid for each game during a gaming occasion, including, if the prizes are based on attendance, the amount of the prize and the attendance required. 820 KAR 1:001 Section 1 (34).
- The bingo program must contain:
  - The organization’s name and license number. 820 KAR 1:058.
  - A specific description of all bingo products for sale. 820 KAR 1:058.
  - The price of each product. 820 KAR 1:058 and 820 KAR 1:046 Section 1 (13).
  - The pattern or arrangement of squares to be covered to win each game. 820 KAR 1:046 Section 2 (4).
  - If a pulltab is awarded as a promotional item or a door prize, the amount and description of the pulltab. 820 KAR 1:036 Section 2 (19).

- If bingo paper is awarded as a promotional item, the description of the paper along with a notation that it is “free” or “promotional” listed as the price. 820 KAR 1:046 Section 9 (5).
- If a card minding device is awarded as a promotional item, the description of the promotional package with a notation of “free” or “promotional” listed as the price. 820 KAR 1:046 Section 9 (7).
- If the organization gives an additional prize if a patron wins on a certain number, the rules of play, including how it is awarded at the maximum payout, and cost to enter. 820 KAR 1:046 Section 3.
- The price of any discounted pre-sold bingo paper. 820 KAR 1:046 Section 1 (20).
- The price of original and trade-in break-open bingo sets. 820 KAR 1:046 Section 4 (5).
- For a player pick game, the price of each face and the amount of numbers that will be chosen. 820 KAR 1:046 Section 5 (5).
- The name of each game played and the payout and alternate payout, if any, for each game. 820 KAR 1:058 Section 2 (17).
- Any payout based on attendance must also be listed on the program, along with the amount of the prize and attendance required. 820 KAR 1:001 Section 1 (34).
- For special limited charity fundraising events: the organization name and license number; the cost to enter, the cost of the buy-backs, and the cost of the add-ons; the rules of the game; the manner for raising blinds or closing tables; and the prizes. 820 KAR 1:058 Section 8 (3)(b) and 820 KAR 1:056 Section 1 (11)(b).
- The bingo program may contain:
  - House rules. The house rules are not required to be posted in the program if they are posted in a conspicuous location at the gaming occasion and announced prior to the start of the gaming occasion. 820 KAR 1:046 Section 1 (8).
  - A notation in a conspicuous location that tipping is not allowed. A notation in the program regarding tipping is not required if the organization posts signs or makes an announcement prior to the gaming occasion that volunteers cannot accept tips. 820 KAR 1:060 Section 1 (1).

### **C. Blower and Flashboard (Selection and Display Devices)**

- "Bingo ball"
  - A ball imprinted with numbers and letters which is used in the selection process of a bingo game. 820 KAR 1:001 Section 1 (3). This includes bingo balls generated by random generator.
  - It is recommended that you have an extra set of bingo balls.
  - You cannot store an extra set of balls on the caller's stand. 820 KAR 1:046 Section 1(6)
- All bingo balls used in the machine or other device must:
  - Be of the same size, shape, weight, and balance;
  - Have all other characteristics that control their selection the same; and
  - Be clean and free of defects.820 KAR 1:044 Section 1 (3).
- "Selection device" means a device that:
  - May be operated manually or automatically; and
  - Is used to randomly select bingo numbers.820 KAR 1:001 Section 1 (66).
- "Bingo machine" means a type of selection device with a receptacle for the unselected bingo balls, a blower for selecting the balls, and a ball tray that contains seventy-five (75) holes in which to place the ball once it is called; or a generator that randomly selects the balls and displays them on the face of the device. 820 KAR 1:001 Section 1 (4).
- "Selection pool" means the bingo numbers in a selection device that have not been selected. 820 KAR 1:001 Section 1 (67). For example: the balls remaining in the blower or the balls that have not been selected by the random generator.
- "Flashboard" or "display board" means a board that displays the bingo numbers called. 820 KAR 1:001 Section 1 (30).
- Equipment must be designed to produce randomness and be free of any defects when used in a bingo game. 820 KAR 1:044 Section 1 (2). Therefore, it is the organization's responsibility to maintain the bingo machine and the flashboard.
- The Department may inspect bingo machines and other selection devices, flashboards and other display devices, and other bingo equipment used in the selection and display of game numbers at any reasonable time. 820 KAR 1:044 Section 1 (1).

- An organization cannot use a selection or display device with a defect that was apparent at the beginning of the session. 820 KAR 1:044 Section 1 (3).
- Charitable gaming supplies, including a bingo machine, can only be purchased from a distributor licensed by the Department. KRS 238.540(6)

## **D. Bingo Paper**

### **1. General Information**

- An organization can only sell bingo paper conforming to the requirements of the regulation. 820 KAR 1:042 Section 1 (2).
- "Face" means a paper or an electronic representation containing:
  - Five (5) rows of five (5) squares with numbers or symbols;
  - A free center space;
  - The letters "B", "I", "N", "G", "O" printed in order over the five (5) columns; and
  - A unique perm number identifying each face.  
820 KAR 1:001 Section 1 (27).
- "Perm number" means the number located on a bingo face that identifies the unique pattern of numbers appearing on that face. 820 KAR 1:001 Section 1 (49).
- "Disposable paper bingo face" means a nonreusable bingo face assembled in a single sheet, multiple face sheet, pad, or pack form. 820 KAR 1:001 Section 1 (22).
- "Hard card" means a reusable card bearing a bingo face or faces. 820 KAR 1:001 Section 1 (36).
- Reusable bingo hard cards can only be used at charity fundraising events. 820 KAR 1:042 Section 1(3).
- "Serial number" means a number assigned by the manufacturer to track the individual product. 820 KAR 1:001 Section 1 (68).
- A serial number cannot be repeated by the same manufacturer within one (1) year. 820 KAR 1:042 Section 2 (4).
- "Series number" means the number of unique faces contained in a series. 820 KAR 1:001 Section 1 (69).
- A charitable organization must not separate faces on one (1) paper sheet or any paper sheets in a pack prior to play. 820 KAR 1:046 Section 1 (12).

- The price for each type of bingo sheet, pack, or package must be listed on the bingo program. 820 KAR 1:046 Section 1 (13).
- Bingo paper must be used during the bingo session for which it was purchased. 820 KAR 1:046 Section 1 (14).
- An organization cannot allow a player to carry over purchased but unused bingo paper to another session. 820 KAR 1:046 Section 1 (14).
- An organization cannot allow a player to play bingo paper that was not purchased at that session, except for Braille cards. 820 KAR 1:046 Section 1 (15).
- The organization cannot copy or cut paper. 820 KAR 1:046 Section 1 (12) and 820 KAR 1:046 Section 1 (16).
- If an organization sells the same paper packs or paper sheets for different prices, the packs or sheets must have different serial numbers. 820 KAR 1:046 Section 1 (17).
- The organization cannot reserve bingo paper or card-minding devices for any player, except for Braille cards. 820 KAR 1:046 Section 1 (3).

## **2. Sheet**

- "Bingo paper sheet" means a single piece of paper on which one (1) or multiple bingo faces are printed. 820 KAR 1:001 Section 1 (7).

## **3. Pack**

- "Bingo paper pack" means a group of bingo paper sheets that are manufactured, collated, and sold by the manufacturer as a unit. 820 KAR 1:001 Section 1 (5).
- Individual bingo paper sheets in a pack cannot be individually sold. 820 KAR 1:046 Section 1 (10).

## **4. Package**

- "Bingo paper package" means a group of bingo paper sheets or packs that are assembled together by an organization for sale at a gaming occasion that becomes a unique item for sale with a specific price. 820 KAR 1:001 Section 1 (6).
- The items in the package cannot be sold individually unless a separate serial number is used. 820 KAR 1:046 Section 1 (19).

## **5. Bundle**

- "Bundle" means to price a certain amount of bingo paper faces for a certain price with the patron choosing the type of packs that make up the total faces, i.e., 36 faces for \$20. 820 KAR 1:001 Section 1 (9).
- You cannot sell bingo paper in a bundle. 820 KAR 1:046 Section 1 (18).

## **6. Sets**

- "Set" means a case or cases of paper that contain one (1) of each face in a series. 820 KAR 1:001 Section 1 (70).
- Each set of bingo paper is comprised of faces bearing the same serial number on the top sheet of the pack. 820 KAR 1:042 Section 2 (4).
- You must buy a complete set of paper and use that paper before starting another set. 820 KAR 1:046 Section 1 (11).

## **7. Pre-selling Paper in Back to Back Sessions**

- If an organization games in back to back sessions, it may pre-sell paper for the second session as long as a different set of paper is used with a different color or border and a different serial number. 820 KAR 1:046 Section 1 (20).
- The money from the pre-selling of paper must be deposited with the second session receipts and the sales recorded on the second session gaming occasion records. 820 KAR 1:046 Section 1 (20).
- If the price for the pre-sold paper is discounted, the organization must list this discount on the gaming occasion program and use a third set of paper with a different serial number. 820 KAR 1:046 Section 1(20).

## **8. Braille Cards**

- You can have Braille cards available for blind players. 820 KAR 1:046 Section 1 (3).
- Braille cards are not considered gaming supplies and equipment and may be purchased from ordinary sources of supply. KRS 238.505(15) and 820 KAR 1:046 Section 1 (3).
- If the organization does not have Braille cards available, blind players may use their own cards. 820 KAR 1:046 Section 1 (3).
  - You may still charge the patron to play. Record these receipts under "Other" on the worksheet.

## **E. Rules of Play**

### **1. Bingo Ball Verification**

- Every ball in the bingo machine or other selection device must be displayed for verification at the start and at the end of each bingo session. 820 KAR 1:046 Section 1 (9). This includes random generators.

### **2. Players Present**

- All players must be physically present at the location where the bingo game is held in order to play the game or claim a prize offered. 820 KAR 1:046 Section 2 (1).

### **3. Session Starts**

- The bingo session starts when the balls are verified. The balls must be verified before the pickle jar, bonanza ball, or hot ball is selected and called. 820 KAR 1:046 Section 2 (2).

### **4. Canceling a Bingo Session**

- If a bingo session is cancelled once it has started, an organization may refund a portion of the purchase price of the bingo paper or card-minding device. An organization cannot continue the session or award the prizes at a later date. 820 KAR 1:046 Section 1 (5).

### **5. Pickle Jar, Bonanza Ball, or Hot Ball**

- "Pickle jar, bonanza ball, or hot ball" means games played in conjunction with other bingo games in which:
  - A bingo ball is selected by the selection device prior to the start of certain bingo games or all bingo games; and
  - A patron is awarded the amount of money associated with the pickle jar, bonanza ball, or hot ball, if the selected bingo ball is called, and because of that selected ball being called, a patron wins the bingo game being played.  
820 KAR 1:001 Section 1 (50).
- If the organization gives an additional prize if a patron wins on a certain number, the rules of play, including how it is awarded at the maximum payout and cost to enter, must be listed on the bingo program. These numbers can be selected and posted before the first game is called. 820 KAR 1:046 Section 3.

**6. Break Open Bingo (commonly known as “Bonanza”)**

- "Break open bingo" means a bingo game in which the numbers on the face are hidden until after purchase. 820 KAR 1:001 Section 1 (8).
- A break open bingo game begins when, in the presence of players attending the bingo occasion, the organization calls and posts, either manually or by use of a flashboard, a predetermined quantity of randomly selected bingo numbers from a selection device or a separate bingo number container. 820 KAR 1:046 Section 4 (1).
- If a flashboard is used, these numbers must be posted on a separate board than the regular bingo board unless the regular board is capable of keeping track of these numbers separately. The balls must then be placed back into the selection pool until the game is played on the program. 820 KAR 1:046 Section 4 (1).
- Sealed bingo paper sheets for a break open game may be sold throughout the bingo occasion. 820 KAR 1:046 Section 4 (2).
- Additional bingo paper sheets for a break open game cannot be sold after the organization resumes calling letters and numbers when the game is played on the program. 820 KAR 1:046 Section 4 (2).
- An organization may allow players to trade break open bingo faces for new faces. 820 KAR 1:046 Section 4 (3).
- If the charitable organization allows players to trade break open bingo faces for new faces, two (2) sets of the game faces must be maintained. One (1) set will be known as the “original set” and must be of a different serial number than the second set, known as the “trade-in” set. 820 KAR 1:046 Section 4 (4).
- An organization must list the price of the original set and the trade-in set on the bingo program. 820 KAR 1:046 Section 4 (5).
- The program must also state how the game is played, i.e., odd or even. 820 KAR 1:046 Section 2 (4).

**7. Player Pick**

- "Player pick bingo" means the patron picks the numbers which constitute a bingo on his or her face or faces, and a machine prints those numbers on the bingo face before the game is played. 820 KAR 1:001 Section 1 (51).
- The player selects numbers between 1 and 75. A player cannot select more than five (5) numbers in each column. The player may allow the machine to select the numbers. 820 KAR 1:046 Section 5 (1).

- Duplicate numbers cannot be played on a purchased face. If duplicate numbers appear on a face, the card is void. 820 KAR 1:046 Section 5 (2).
- Once numbers are selected, the machine will print a face with the selected numbers. 820 KAR 1:046 Section 5 (3).
- The faces must conform to the construction and randomization standards set forth in the regulations. 820 KAR 1:046 Section 5 (4).
- The price of each face and the amount of numbers that will be chosen must be listed on the bingo program. 820 KAR 1:046 Section 5 (5).
- The numbers are daubed as the balls are called. 820 KAR 1:046 Section 5 (6).
- A player wins if he or she is the first person to cover the numbers. 820 KAR 1:046 Section 5 (7).
- The organization can pre-print faces to sell. The organization must void all the faces it did not sell.
- It is recommended that the machine's "end of the night report" be printed and kept with the session records.

## **8. Continuation Game**

- "Continuation game" means a multipart bingo game in which more than one (1) game with more than one (1) pattern may be played on one (1) bingo paper sheet. 820 KAR 1:001 Section 1 (17).
- Multiple patterns may be played on one (1) bingo face. Each portion of the continuation game is considered a single bingo game even though the bingo balls are not returned to the selection pool after a winner is determined and verified. 820 KAR 1:046 Section 6 (1).
- Each winning pattern is verified independently. 820 KAR 1:046 Section 6 (2).

## **9. Progressive Bingo**

- "Progressive bingo" means a bingo game in which the value of the prize is carried forward to the next bingo occasion if no player wins at that session. 820 KAR 1:001 Section 1 (53).
- Progressive bingo prizes must be included in the \$5,000 payout limit on the night the prize is awarded. 820 KAR 1:046 Section 7 (1)(a).
- All receipts on progressive bingo games are reported to the Department as gross receipts for the date collected. 820 KAR 1:046 Section 7 (1)(c).

- Once a progressive bingo game has been started, the game must be played in the same manner at every occasion until the prize is awarded. The jackpot prize must be offered at each successive bingo occasion for that charitable organization until the jackpot prize has been won. 820 KAR 1:046 Section 7 (2).

## **10. Calling Game**

- "Selected" means a bingo number that has been obtained by the selection device and is ready to be called next by the bingo caller. 820 KAR 1:001 Section 1 (65).
- "Called" means that a number located on a bingo ball has been:
  - Selected by the selection device;
  - Verbally announced by the caller;
  - Displayed on the flashboard or other display device; and
  - Placed in a ball tray or otherwise continuously displayed until completion of the bingo game.  
820 KAR 1:001 Section 1 (10).
- Before selecting or calling the first number in a game, the bingo caller must call out the amount of the game prize to be awarded. 820 KAR 1:046 Section 2 (3).
- Before selecting and calling the first number in a game, the bingo caller must announce the pattern or arrangement of squares to be covered to win the game. This information must also be listed in the bingo program. 820 KAR 1:046 Section 2 (4).
- After selecting each number, the bingo caller must:
  - Clearly announce the number;
  - Display the ball (except during a speed game);
  - Put the ball in the tray, or otherwise continuously display the called ball, so that it will not be put back into the selection pool; and
  - Enter each letter and number called on a flashboard or similar device for player viewing.  
820 KAR 1:046 Section 2 (5).

## **11. Winning and Verifying Bingo**

- "Covered" means daubed or smeared with indelible ink if using a disposable paper bingo face, or marked electronically if using a card-minding device. 820 KAR 1:001 Section 1 (18).

- A winner is determined when the preannounced pattern of squares is covered by a player on a card. 820 KAR 1:046 Section 2 (6).
- Therefore, the card must be marked before it can be verified.
- It is the player's responsibility to notify a volunteer including the chairperson or caller that the player has a winning bingo combination as announced. 820 KAR 1:046 Section 2 (7).
- Manufacturers of bingo paper must make available for purchase a verification book or other verification system for all paper manufactured. 820 KAR 1:046 Section 8 (1).
- "Verification system" means a book of bingo faces compiled by the manufacturer, or an electronic device created by the manufacturer that: (a) Lists the unique patterns of numbers on each face by perm number; and (b) Is used to verify the authenticity of a winning face. 820 KAR 1:001 Section 1 (74).
- The organization must use a reliable verification system that corresponds with the set of paper in play. 820 KAR 1:046 Section 8 (2).
- When a player declares a winning bingo, the following steps must be followed for winner verification:
  - The game must be stopped before the next number is called. If the next number has been selected, it must be secured to ensure that if the declared bingo is invalid the game may continue;
  - If an electronic verifier or verifier book is used, a volunteer for the charitable organization must show the winning face to a player other than the winner and call back the perm number while in front of the other player;
  - If any other verification system is used, a volunteer for the organization must show the winning face to another player and call back the winning combination while in front of the other player. 820 KAR 1:046 Section 8 (3).
- You must verify the bingo while in front of the other player, not just show it to them and then verify it.
- The caller must ask at least twice if there are any other winners before announcing the close of the game. 820 KAR 1:046 Section 8 (4).
- If playing a continuation game, the caller must ask at least twice if there are any other winners before closing that part of the game. 820 KAR 1:046 Section 8 (4).
- If more than one (1) winner is declared in a bingo game, the following method of awarding prizes must be followed:

- Cash prizes must be divided equally among the verified winners; and
  - If a prize is something other than cash and cannot be divided among the winners, prizes of equal proportionate value must be awarded. 820 KAR 1:046 Section 8 (5).
- Each bingo winner must be determined and every prize must be awarded and paid on the same day on which the bingo was conducted. 820 KAR 1:046 Section 9 (11).

## IV. CARD-MINDING DEVICES (“CMD”)

### A. General

- A card-minding device (“CMD”) or associated site system can be used to play bingo games. KRS 238.545(1)(b) and KRS 238.505(26).
- The device must be capable of being used with bingo cards or paper sheets at all times. KRS 238.545(1)(b).

### B. Tested and Approved

- You cannot use a CMD until it has been tested by an independent testing facility and approved by the Department. 820 KAR 1:044 Section 2 (1).
- If the Department discovers a CMD system is being used that has not been approved, or there is a problem that affects the security or the integrity of a bingo game or site system, the use of it must cease immediately until approved or until the problem is fixed. 820 KAR 1:044 Section 2 (7)(b) and 820 KAR 1:044 Section 2 (6)(a).
- Distributors and charitable organizations cannot add or remove any software programs to an approved CMD system without the permission of the manufacturer. 820 KAR 1:044 Section 2 (7)(a).
- The manufacturer can only perform routine maintenance or replace secondary components of a CMD without having the new CMD system or software approved by the Department or submitted for additional testing. The maintenance or replacement of component parts cannot affect the manner in which the bingo game is played or the operation of the software. 820 KAR 1:044 Section 2 (5).

### C. Player Tracking

- CMD systems may include player tracking software. 820 KAR 1:044 Section 3 (6).
- Player tracking records are the property of the charitable organization. The manufacturer and the distributor cannot use this information or make it available to any person, other than the Department, without the express permission of the charitable organization. 820 KAR 1:044 Section 3 (6).

### D. Caller Station Verifier

- The caller station verifier must be able to verify winning cards and to print them for posting. 820 KAR 1:044 Section 3 (7).

- The caller station verifier must also be capable of posting all balls called and printing an ordered list of the called balls. 820 KAR 1:044 Section 3 (7).
- Before removing a CMD system, the distributor must give a copy of the data files to each organization which used the system, and to the Department. 820 KAR 1:044 Section 5 (3).

**E. Responsibilities of Organizations**

- Before using a CMD or site system, the organization must make sure they have been approved by the Department. 820 KAR 1:044 Section 6 (1).
- You cannot display, use, or furnish a CMD which has been marked, defaced, tampered with, or which otherwise may deceive the public or affect a player's chances of winning. 820 KAR 1:044 Section 6 (2).
- If a player's CMD malfunctions during a bingo game, it may be repaired or the faces transferred to another CMD if it will not interrupt the game. 820 KAR 1:044 Section 6 (3).
- Each CMD must be limited to offering for play a maximum of 72 card faces during any one (1) game of a session. 820 KAR 1:044 Section 6 (4).
- The CMD system must erase, deactivate, or render unplayable the electronic faces on each CMD prior to the next scheduled bingo occasion. This can be done one of two ways:
  - Upon turning off the device after the last bingo game of the occasion or upon placing the device into a charging unit;
  - By a secondary timing method established by the manufacturer. 820 KAR 1:044 Section 3 (13).
- Patrons must purchase additional electronic bingo faces at the site system and not from the floor. 820 KAR 1:044 Section 3 (14).
- The organization must make sure that the CMD system does not allow a CMD to be used to obtain a bingo prize for any bingo game other than for a game at the bingo occasion where the CMD was sold. 820 KAR 1:044 Section 6 (5).
- The Department can examine and inspect any CMD and site system. The Department must be granted reasonable access to the CMD and unlimited inspection of all parts of the site system. 820 KAR 1:044 Section 6 (6).

## **F. Requirements for Use**

### **1. Receipts**

- The organization must provide the player with a receipt for each sale which details the transaction. The receipt must be printed on a receipt printer. 820 KAR 1:044 Section 6 (7).
- The receipt must contain, at a minimum, the following information:
  - A unique nonresettable transaction number that is printed in continuous, consecutive order;
  - The serial number of the CMD issued;
  - The date and time the receipt was issued;
  - The name of the organization and license number; and
  - A description, quantity, purchase price, and total dollar amount of each item purchased.  
820 KAR 1:044 Section 6 (7).
- If the receipt printer malfunctions or printed receipts are not legible, the organization must hand-write receipts which contain the same information as above. 820 KAR 1:044 Section 6 (11).

### **2. Voids**

- The organization must void the original transaction and issue a new receipt if a player requests a partial or full refund. Additional purchases do not require voiding of the original transaction. 820 KAR 1:044 Section 6 (8).
- Voided transactions must be treated in the following manner:
  - Voided transactions must be processed immediately;
  - If a voided transaction involves a CMD, the CMD must be connected to the site system to ensure all electronic bingo cards are erased or deactivated;
  - The player must have the receipt issued at the time of the purchase of the CMD before the purchase is voided;
  - The word “void” must be clearly printed on the receipt;
  - The player must write his or her name, address, telephone number, signature, and amount of refund on the back of the receipt before a partial or full refund may be issued; and
  - All voided receipts must be attached to the Total Sales Activity Report printed at the end of each bingo occasion and maintained with the gaming records.  
820 KAR 1:044 Section 6 (9).

### **3. Pre-Loads**

- If the organization loads the CMD prior to selling them, any unsold CMD must be voided by the start of the second game. 820 KAR 1:044 Section 6 (10).

### **4. Printing Winning Card Face**

- The chairperson must print the winning card face if any player or the Department requests verification of a winning card face played on a CMD. The winning card face must then be posted in a conspicuous location where it may be viewed in detail. 820 KAR 1:044 Section 6 (12).
- The winning card face must be posted for at least thirty (30) minutes after the completion of the last bingo game at that session. 820 KAR 1:044 Section 6 (12).
- It is always a good idea to print the winning card face after each game. If you do not have the perm number you cannot print the face later if someone requests verification.

### **5. Internet Connection**

- The organization must reasonably ensure that the internet connection to the site system is operational at all times. 820 KAR 1:044 Section 6 (13).

### **6. Discounts and Door Prizes**

- If the organization sells CMD for a discounted price, or gives them away as a promotion, the site system must be programmed to account for the discounted item and priced separately from those sold at the regular price. A generic discount key is not allowed. 820 KAR 1:044 Section 6 (14).
- If a CMD is awarded as a door prize or bingo game prize, the patron must be given a voucher completed with:
  - The name, address, and phone number of the patron redeeming the voucher;
  - The date on which it was awarded;
  - The date on which it was redeemed; and
  - The number of CMD's and the number of faces loaded on each device given in exchange for the voucher.820 KAR 1:046 Section 9(6).

- If a CMD is awarded as a promotional item, the description of the promotional package must be listed on the program with “free promotional” listed as the price. The point of sale must have a specifically described discount button for this promotion. 820 KAR 1:046 Section 9 (7).
- If an organization offers coupons for bingo paper or a CMD, a voucher must be completed when the coupon is redeemed, and the coupon and voucher must be retained with the gaming occasion records. 820 KAR 1:046 Section 9 (8).
- If the organization sells gift certificates for bingo paper or a CMD, the receipts for the sale must be counted as gaming receipts on the day they are received. When the gift certificate is redeemed, a voucher must be completed and the gift certificate and the voucher must be retained with the gaming occasion records. 820 KAR 1:046 Section 9 (9).
- There must be a specific button on the point of sale programmed for each type of voucher and package involving a card-minding device. 820 KAR 1:046 Section 9 (6)(e).

#### **7. Total Sales Activity Report**

- The organization must print a total sales activity report from the point of sale at the end of each bingo session and maintain it with the session records. 820 KAR 1:044 Section 6 (15).

#### **8. Manufacturer’s or Distributor’s Representative**

- A manufacturer’s representative or distributor’s representative can only be present to consult, demonstrate, and train on the operation of the CMD system. KRS 238.530 (10)(j) and 820 KAR 1:044 Section 6 (16).
  - They should train you on a new system before the session.

## V. PULLTABS

### A. General Provisions

#### 1. Definitions

- “Charity game ticket” or “pulltab:”
  - Game of chance using a folded or banded paper ticket, or a paper card with perforated break-open tabs;
  - The face of the ticket is covered or otherwise hidden from view to conceal a number, letter, symbol, or set of numbers, letters, or symbols; and
  - Some of these symbols have been designated in advance as prize winners.
  - Includes charity game tickets that utilize a seal card.  
KRS 238.505(5).
- "Deal"
  - Each separate game or series of pulltabs which has the same serial number and which may be composed of multiple packages.  
820 KAR 1:001 Section 1 (20).
- “Serial number”
  - A number assigned by the manufacturer to track the individual product.  
820 KAR 1:001 Section 1 (68).
- "Form number"
  - A manufacturer’s alphanumeric number that identifies a pulltab payout structure.  
820 KAR 1:001 Section 1 (31).
- "Flare"
  - The paper included with a deal of pulltabs that identifies the game and payout structure.  
820 KAR 1:001 Section 1 (29).
- “Seal card”
  - A board or placard used in conjunction with charity game tickets;
  - That contains a seal or seals; and
  - Which, when removed or opened, reveals pre-designated winning numbers, letters, or symbols.  
KRS 238.505(6).

- “Jar ticket”
  - A type of pulltab game ticket that is folded, glued, or stapled.  
820 KAR 1:001 Section 1 (39).
- “Multi-packaged pulltab deal”
  - A pulltab game consisting of a single deal of not more than 10,000 tickets that is packed in subsets; and
  - In which each subset contributes to a prize pool with or without a prize board.  
820 KAR 1:001 Section 1 (46).
- “Progressive pulltab game” or “carryover pulltab game”
  - A pulltab game consisting of one (1) or more deals designed by the manufacturer so that a portion of the deal’s predetermined prize payout is designated to a progressive jackpot; and
  - The jackpot value may accumulate from one (1) deal to the next deal until won.  
820 KAR 1:001 Section 1 (54).
- “Jackpot prize in a progressive pulltab game” or “progressive jackpot prize”
  - A prize in addition to the instant or seal card prizes which is carried over from deal to deal until it is won.  
820 KAR 1:001 Section 1 (38).
- “Cumulative pulltab game”
  - A pulltab game consisting of multiple pulltab deals designed by the manufacturer so that a portion of each deal’s predetermined payout is designated to a prize pool board.  
820 KAR 1:001 Section 1 (19).
- "Event game"
  - A type of pulltab game, with or without a seal card, that is designed by the manufacturer so that certain prizes are determined by:
    - The draw of a bingo ball; or
    - A method of randomly selecting numbers or symbols that correspond to the numbers or symbols printed on a ticket.  
820 KAR 1:001 Section 1 (25).
- "Last sale"
  - A pulltab game designed by the manufacturer in which a prize is awarded to the person who bought the last pulltab in a deal.  
820 KAR 1:001 Section 1 (43).

## **2. Location and Storage**

- Charity game tickets can only be sold at the address of the location designated on the license. KRS 238.545(1)(c).
- With prior approval of the Department, charity game tickets can be sold 1) at any authorized special charity fundraising event conducted by a licensed charitable organization at any off-site location; or 2) by a licensed charitable organization possessing a special limited charitable gaming license at any off-site location. KRS 238.545(1)(d).
- Only one organization can conduct charitable gaming at a certain location at any given time, except for charitable fundraising events. KAR 1:036 Section 1(3).
- Each organization's gaming supplies must be maintained in a location separate from another organization's gaming supplies. This location must be locked and access must be controlled. 820 KAR 1:036 Section 1(4).

## **3. Prize Limits**

- Individual pulltab ticket prizes cannot exceed \$599 in value, not including the value of cumulative or carryover prizes. KRS 238.545(2).
- Cumulative or carryover prizes cannot exceed \$2,400. KRS 238.545(2).

## **4. Construction**

- You can only sell pulltabs that meet the construction requirements set out by Kentucky regulations. 820 KAR 1:032 Section 1 (2).
- Every deal of pulltabs must contain instructions on how to play the game. 820 KAR 1:032 Section 5 (2).
- Pulltabs can be played with or without a seal card. KRS 238.505(5).

## **5. Training Requirement**

- All individuals involved in the sale of pulltabs must be trained in the proper conduct of the game and control of funds. 820 KAR 1:036 Section 1 (1).

## **6. Volunteers**

- Volunteers are not allowed to purchase or play pulltabs during the gaming occasion they are volunteering. The only exception to this is at charity fundraising events where the volunteer may purchase or

play pulltabs on a day the volunteer has not worked, and from a deal the volunteer did not sell. 820 KAR 1:036 Section 1 (5).

**7. Age Restriction**

- No person under the age of eighteen (18) is permitted to purchase, or open in any manner, a pulltab. KRS 238.545(2).

**B. Types of Charitable Gaming Ticket (“pulltab”) Games**

**1. Jar Tickets**

- Jar tickets must be played and prizes awarded as stated on the flare received with each deal. 820 KAR 1:036 Section 3.

**2. Seal Card Games**

- You must post the seal card for the deal in play at the location of the seal game while the deal is in play. 820 KAR 1:036 Section 4 (1).
- If you do not finish selling a deal during a gaming occasion, you must have the patrons with holders sign the seal card and provide a means of contacting them when the winner is declared. 820 KAR 1:036 Section 4 (2).
- The seal for the deal must be broken or torn open in plain view of all persons present when:
  - All tickets from a deal have been sold;
  - All the winning tickets from a deal have been sold;
  - All the lines on the sign up card have been filled;
  - The deal has been closed because no future date is anticipated;or
  - As instructed by the game as designed by the manufacturer.820 KAR 1:036 Section 4 (3)(a).
- After the seal is opened you must announce and post each winning combination, the name of the game, and the serial number of the deal at the location of the game. 820 KAR 1:036 Section 4 (3)(b).
- You must record the date the seal was opened on the seal card. 820 KAR 1:036 Section 4 (3)(c).

### **3. Last Sale Games**

- You can only sell “Last Sale” pulltabs at your office location. 820 KAR 1:036 Section 5.
- You cannot sell them during a bingo session. 820 KAR 1:036 Section 5.

### **4. Multipackaged Deal**

- These games may or may not use a prize board. 820 KAR 1:001(46).
- You must play every package of a multi-packaged deal to make the stated profit. 820 KAR 1:032 Section 8.
- Each package may contain individual winners. 820 KAR 1:032 Section 8.
- If each package contains a winner, the game must have a method of verifying from which package the winner was sold. 820 KAR 1:032 Section 8.

### **5. Event Games**

- An event ticket prize cannot exceed the individual ticket prize limit for a pulltab game (\$599). 820 KAR 1:032 Section 7 (3).
- The prize for an event pulltab game is not considered a bingo prize. 820 KAR 1:032 Section 7 (4).
- The number of winners and the prize amounts for the event game must be built into the payout structure of the game by the manufacturer. 820 KAR 1:032 Section 7 (2).
- An event game cannot contain a “last sale” feature. 820 KAR 1:032 Section 7 (1).

### **6. Progressive Games**

#### **a. Construction**

- The amount dedicated to the progressive jackpot is predetermined by the manufacturer and built into the payout structure for the game. 820 KAR 1:032 Section 6 (1).
- This amount is printed by the manufacturer on either the flare or seal card for each game or on each ticket in each game. 820 KAR 1:032 Section 6 (1).
- The seal card for each deal in a progressive game must show, in addition to all other information required for flares and seal cards, the

amount dedicated to the progressive jackpot prize pool. 820 KAR 1:036 Section 6 (4).

- All games that contribute to the progressive jackpot must be of the same form number. 820 KAR 1:032 Section 6 (2).
- The flare or seal card for the progressive jackpot contains an area in which the current amount of the carryover or progressive jackpot can be posted. 820 KAR 1:032 Section 6 (3).
- If a progressive pulltab game uses a progressive jackpot prize card that is separate from the jackpot seal, the jackpot card must contain space for the organization to record the serial numbers of all games contributing to the jackpot prize. 820 KAR 1:032 Section 6 (4).
- If a progressive pulltab game uses a jackpot prize card that is separate from the jackpot seal card, each deal of the game must possess both a seal card and a jackpot prize card that has the serial number of the deal. 820 KAR 1:032 Section 6 (5).
- In a progressive pulltab game, the organization must either start a new jackpot card with each deal or use the original jackpot card until won. The organization must maintain each jackpot card for twelve (12) months. 820 KAR 1:032 Section 6(6).
- A progressive pulltab game must be played as instructed by the manufacturer. 820 KAR 1:036 Section 6 (7).

**b. Posting seal card and jackpot prize card**

- If a progressive prize remains unpaid, you must display at all times and in full and complete view of the players, either:
  - The jackpot card being played and each seal card contributing to the jackpot prize pool; or
  - A legible poster identifying by name, serial number, and form number each deal of pulltabs contributing an amount to the jackpot prize pool.  
820 KAR 1:036 Section 6 (5), (10)(a).
- If a progressive prize remains unpaid, you must display at all times and in full and complete view of the players, the current value of the jackpot. 820 KAR 1:036 Section 6 (10)(d).

**c. Must remain in play until jackpot awarded**

- Once a progressive pulltab game has been started, it must remain in play until the progressive jackpot prize is determined. 820 KAR 1:036 Section 6 (3).

- If the game is begun at a bingo session, it must be offered at each succeeding bingo session of the organization. 820 KAR 1:036 Section 6 (3).
- If the game is begun at the office location, it must be sold on each succeeding day the office is open. 820 KAR 1:036 Section 6 (3).
- As long as money remains in the jackpot prize pool, you must continue to play the same games with the same form number. 820 KAR 1:036 Section 6 (8).
- If a game with the same manufacturer's form number is no longer available, you must contact the Department for instructions on how to proceed. 820 KAR 1:036 Section 6 (9).

**d. Gaming occasion records**

- The serial numbers for each deal contributing to the progressive jackpot prize must be recorded in the gaming occasion records. 820 KAR 1:036 Section 6 (6).
- The amount of the current jackpot, the amount contributed, the payouts made, and the jackpot carried forward to the next session at each gaming occasion must be recorded in the gaming occasion record. 820 KAR 1:036 Section 6 (13).

**e. Prize awarded**

- You cannot award the jackpot prize in a progressive pulltab game unless the serial number and form number on the winning ticket matches the serial number and form number on a seal card from a deal of tickets which contributed to the jackpot prize. 820 KAR 1:036 Section 6 (11).
- The serial number on the tickets may not match the serial number on the progressive pulltab **jackpot card** if the deal is the second or subsequent deal played in the progressive game and one (1) progressive jackpot card is used for more than one (1) deal. 820 KAR 1:036 Section 6 (2).
- You must continue to display the poster or seal cards during the organization's gaming activities until fifteen (15) calendar days after awarding the prize. 820 KAR 1:036 Section 6 (10)(b).

**f. Prize not awarded**

- If a progressive jackpot prize is not awarded, you must continue to display the poster or seal cards during gaming activities for at least 15

calendar days after the date the organization considers the game closed and retains the prize as its property. 820 KAR 1:036 Section 6 (10)(c).

**g. Prizes \$250 or over**

- If the prize awarded is \$250 or over, you must attach to the jackpot prize card a copy of the winner's valid state identification card which contains the name, address, date of birth, and state identification number of the winner. 820 KAR 1:036 Section 6 (12).

**h. Value of jackpot**

- The jackpot prize in a progressive game may accrue in excess of \$2,400. 820 KAR 1:036 Section 6 (13).
- An individual jackpot prize cannot not be paid in excess of \$2,400. 820 KAR 1:036 Section 6 (13).

**i. Advertising**

- Any advertisement regarding the progressive jackpot may state the total amount in the jackpot prize pool as long as it also includes the statement that an individual payout cannot exceed \$2,400. 820 KAR 1:036 Section 6 (14).

**j. Deposits**

- The jackpot prize pool in a progressive game **must** be deposited within two (2) business days of the gaming occasion and is considered an adjusted gross receipt. 820 KAR 1:036 Section 6 (16).

**7. Cumulative Games**

**a. Construction**

- The amount dedicated to the cumulative prize pool is predetermined by the manufacturer and built into the payout structure for the game. 820 KAR 1:032 Section 6 (1).
- The dedicated amount is printed by the manufacturer on either the flare or seal card for each game or on each ticket in each game. 820 KAR 1:032 Section 6 (1).
- All games contributing to the cumulative prize pool must be of the same form number. 820 KAR 1:032 Section 6 (2).

- In a carryover game you must either start a new jackpot card with each deal or use the original jackpot card until won. You must keep the jackpot card for twelve (12) months. 820 KAR 1:032 Section 6 (6).
- The prize pool for a cumulative pulltab game can only be established through the play of deals of the same game with an identical form number to any previously played deals. 820 KAR 1:036 Section 7 (1).
- A cumulative prize board cannot contain prizes totaling in excess of \$2,400. 820 KAR 1:036 Section 7 (9).

**b. Verifying the serial number**

- Before placing a deal into play, you must verify that the serial number on the pulltabs within each deal matches the serial number on the flare, prize board, or seal card accompanying the deal by conducting a random sampling of pulltabs with each deal. 820 KAR 1:036 Section 7 (2).

**c. Remain in play**

- After a cumulative pulltab game has been started, it must remain in play continuously until the cumulative prize pool has been awarded. 820 KAR 1:036 Section 7 (3).
- If such game is begun at a bingo session, it must be offered at each succeeding bingo session of the organization. 820 KAR 1:036 Section 7 (3).
- If the game is begun at the office location, it must be offered on each succeeding day their office is open. 820 KAR 1:036 Section 7 (3).

**d. Prizes**

- Prizes can only be awarded in accordance with the manufacturer's pre-designated prize structure for the game. 820 KAR 1:036 Section 7 (4).
- The seal card for each deal in a cumulative pulltab game must show, in addition to all other information required for flares and seal cards, the amount dedicated to the cumulative prize pool. 820 KAR 1:036 Section 7 (5).

**e. Displaying seal cards**

- Every seal card for each deal that has been played or is being played in the course of a cumulative pulltab game, together with any prize board, must be displayed at all times while the game is in play until the cumulative prize pool is awarded. 820 KAR 1:036 Section 7 (6).

**f. Awarding the prize**

- You cannot award the cumulative prize pool unless the serial number and form number on the winning ticket matches the serial number and form number on a seal card from a deal of tickets which contributed to the cumulative prize board. 820 KAR 1:036 Section 7 (8).

**g. Gaming occasion records**

- The serial numbers for each deal contributing to a cumulative prize pool must be recorded in the gaming occasion records. 820 KAR 1:036 Section 7 (7).

**C. Rules of Play**

**1. Bingo Session, Office Locations, and Pulltab Dispensers**

- You must comply with the regulations regarding the play, proper recordkeeping, and reporting of all pulltab sales regardless of where you sell the pulltabs. 820 KAR 1:036 Section 2 (6).
- All sales must be reported on the financial report. 820 KAR 1:036 Section 2 (6).

**2. Price**

- You must sell pulltabs for the price printed on the ticket, flare, or seal card by the manufacturer. 820 KAR 1:036 Section 2 (8).

**3. Information Posted While Deal in Play**

- You must post in the area where pulltabs are sold, and in view of the players for each deal in play:
  - The flare or seal card which will include:
    - The rules of the game; and
    - The prizes to be awarded over \$50.
  - This includes a requirement to post all rules concerning the handling of cumulative or carryover prizes in seal card games. KRS 238.545(2) and 820 KAR 1:036 Section 2 (1).

- A legible poster that lists prizes to be awarded and prizes actually awarded that is posted at the completion of the sale of each separate package can satisfy this requirement. KRS 238.545(2).

#### **4. Packaging and Container**

- Pulltabs cannot be sold to the public from the original packing box or container. 820 KAR 1:036 Section 2 (2).
- Pulltabs must be removed from the original box or container and mixed together prior to sale. 820 KAR 1:036 Section 2 (2).
- If a deal of pulltabs is packed in more than one (1) box or container, an individual container cannot designate a winner or contain a disproportionate number of winning or losing tickets. 820 KAR 1:036 Section 2 (3).
- Each package, box, or container must be placed out for play at the same time unless the deal is designed by the manufacturer to be played in subsets. If so, those subsets may be placed out for play in succession. 820 KAR 1:036 Section 2 (3).

#### **5. Defects**

- You are not allowed to place into play pulltabs which have been:
  - Marked;
  - Defaced;
  - Altered;
  - Tampered with;
  - Received in packaging that is not tamper resistant; or
  - Otherwise constructed in a manner which tends to deceive the public or affect the chances of winning or losing.820 KAR 1:036 Section 2 (4).
- If you have or receive any such pulltabs, you must notify the Department of the existence of these tickets in writing within 15 days. 820 KAR 1:036 Section 2 (4).

#### **6. Verifying Serial Numbers**

- Before you sell any pulltabs you must verify that the serial number on the tickets matches the serial number on the flare or seal card accompanying the deal. 820 KAR 1:036 Section 2 (5).
- You do this by conducting a random sampling of pulltabs within each deal. 820 KAR 1:036 Section 2 (5).

- If you find that the serial numbers on tickets do not match the serial number on the flare or seal card accompanying the deal, you are not allowed to play these tickets and you must notify your distributor. 820 KAR 1:036 Section 2 (5).
- If the distributor does not correct the problem within thirty (30) days, you must notify the Department in writing. 820 KAR 1:036 Section 2 (5).

## **7. Unsold Tickets/Partial Deals**

- If a deal is not played to completion and there remain unsold winning pulltabs, you must sell the remaining pulltabs the next time you game. 820 KAR 1:036 Section 2 (7)(a).
- If you do not plan to game in the future, you must consider the deal closed, declare the winners, and post the winning numbers for 15 days at your office location. 820 KAR 1:036 Section 2 (7)(b).
- You must also post information regarding how to claim a prize at your office location. 820 KAR 1:036 Section 2 (7)(b).
- You must close a deal if no winning pulltabs remain in the deal. 820 KAR 1:036 Section 2 (7)(c).
- You must keep all unsold pulltabs for twelve (12) months. 820 KAR 1:036 Section 2 (7)(b) and 820 KAR 1:036 Section 2 (15).
- You cannot finish selling a deal that another organization started. 820 KAR 1:036 Section 2 (7)(d).

## **8. Verifying a Pulltab**

- Authorized representatives of the charitable organization conducting the event where pulltabs are sold can and must verify the serial numbers and winner protections for all winning pulltabs redeemed. 820 KAR 1:036 Section 2 (6), (9), and (10).
- If the pulltab has a seal card, you cannot award a prize to a winner unless the serial number on the ticket matches the serial number on the seal card. 820 KAR 1:036 Section 2 (10).
- A holder of a winning pulltab has 15 days to redeem the winning ticket. 820 KAR 1:036 Section 2 (12).
- If the prize is not claimed within 15 days, the prize is considered unclaimed and is the property of the organization. KRS 238.545(2) and 820 KAR 1:036 Section 2 (12).
- Once the ticket is redeemed, you must pay the holder of a winning pulltab within five (5) days. 820 KAR 1:036 Section 2 (13).

- All winning pulltabs must have the winning symbol or number defaced or punched immediately after redemption. This can only be done by an authorized representative of the charitable organization. 820 KAR 1:036 Section 2 (14).

## **9. Required to Keep**

- You must keep the following for a period of twelve (12) months:
  - All winning pulltabs with a prize value of fifty dollars (\$50) and above;
  - The flare from all winning pulltabs with a prize value of fifty dollars (\$50) and above;
  - All seal cards with a prize value of fifty dollars (\$50) and above;
  - All prize boards in cumulative games with a prize value of fifty dollars (\$50) and above; and
  - All unsold pulltabs.
 820 KAR 1:036 Section 2 (15).

## **10. Prizes**

- You can only award prizes as shown by the prize structure listed on the flare or seal card accompanying the deal of tickets. 820 KAR 1:036 Section 2 (11).
- If there are multiple prize structures listed on the flare or seal card, you must announce to the patrons and circle on the flare or seal card the prize structure that you are going to award before placing the deal into play. 820 KAR 1:036 Section 2 (11).
- If a pulltab is given away as a promotional item or a door prize, the amount and description of the pulltab awarded must be listed on the gaming occasion program. 820 KAR 1:036 Section 2 (19).
- If the pulltab is awarded as a bingo prize, the person in charge of bingo payouts must purchase the pulltabs from the pulltab manager by transfer of cash from bingo payout to pulltab sales. 820 KAR 1:036 Section 2 (20).
- Pulltabs awarded as a bingo prize must be recorded as a sale on the session records. 820 KAR 1:036 Section 2 (20).

## **D. Pulltab Dispensers**

### **1. Location**

- You can have a pulltab dispenser at the gaming facility or your office location. It can only be used during bingo sessions. KRS 238.545(1)(e).
- You must have prior approval of the Department before using a pulltab dispenser. KRS 238.545 (1)(e).

### **2. Use by Multiple Organizations**

- Each charitable organization operating a dispenser must place upon the dispenser an identification label which displays the organization's name and license number. 820 KAR 1:034 Section 3 (2).
- You cannot use a pulltab dispenser until the charitable organization which previously used the dispenser has removed its pulltabs and money. 820 KAR 1:034 Section 3 (1).

### **3. Keys to Dispenser**

- The keys to open the locked doors to the dispenser's ticket dispensing area and cash box must be solely in the possession and control of the designated chairperson of the charitable organization conducting the charitable gaming session. 820 KAR 1:034 Section 3 (3).

### **4. Pulltabs Sold**

- The entire deal of pulltabs must be sold from the dispenser and cannot be sold on the floor. 820 KAR 1:034 Section 3 (4).

### **5. Pulltabs in One Column**

- All pulltabs in any one (1) column must have the same serial number. 820 KAR 1:034 Section 3 (5).

### **6. Defective Dispenser**

- You cannot display, use, or otherwise furnish a dispenser which has in any manner been tampered with or which otherwise may deceive the public or affect a person's chances of winning. 820 KAR 1:034 Section 3 (6).
- If the organization finds any defect or malfunction with the dispenser which is not temporary in nature, you must immediately remove the

dispenser from use and notify the Department. 820 KAR 1:034 Section 6 (1)(b).

- If the Department finds any defect or malfunction with the dispenser that is not temporary in nature, or affects the integrity or security of the pulltab game, the Department will direct you to cease the use of the dispenser. 820 KAR 1:034 Section 6 (1)(a).
- The Department will also require the manufacturer to correct the defect, malfunction, or problem or recall the dispenser immediately upon notification by the Department. 820 KAR 1:034 Section 6 (1)(a).

## **7. Removal of Pulltabs**

- A pulltab deal cannot be placed in the dispenser until the entire deal of pulltabs previously in the dispenser has been played out or permanently removed. 820 KAR 1:034 Section 3 (7).
- After placement in the dispenser, a pulltab cannot be removed from the dispenser, except for those pulltabs:
  - Actually played by consumers;
  - Removed by Department representatives or law enforcement agencies;
  - Temporarily removed during necessary repair and maintenance;  
or
  - Removed at the end of the gaming session.820 KAR 1:034 Section 3 (8).

## **8. Inspection**

- The Department or its authorized representatives may examine and inspect any automated pulltab dispenser. The examination and inspection must include immediate access to the dispenser and unlimited inspection of all parts of the dispenser. 820 KAR 1:034 Section 4.

## **9. Information Maintained**

- Each licensed charitable organization must maintain the following information in connection with its use of an automated pulltab dispenser:
  - Date of purchase or lease of each dispenser;
  - Model and serial number of each dispenser;
  - Purchase or lease price of each dispenser;

- Name, address, and license number of the distributor from whom the dispenser was purchased, leased, or otherwise furnished; and
- A record of all maintenance and repairs relating to the dispenser.

820 KAR 1:034 Section 5 (1).

## VI. RAFFLES

### A. General Provisions

- A raffle is a game of chance in which a participant is required to purchase a ticket for a chance to win a prize and the winner is determined by a random drawing. KRS 238.505(7).
- Winners must be drawn at random; at a date, time, and place announced in advance or printed on the ticket. KRS 238.545(3).
- Any organization or group of individuals that do not meet the requirements to be licensed by the Department can have a raffle so long as the gross receipts from the raffle do not exceed one hundred fifty dollars (\$150) and all proceeds from the raffle are distributed to a charitable organization. The group may have up to three (3) such raffles per year and is exempt from the notification, application, and reporting requirements. KRS 238.535(10).

### B. Requirements for Tickets

- Tickets for a raffle must be sold separately and each ticket must constitute a separate and equal chance to win. KRS 238.545(3).
  - You must sell each ticket for the same price. For example, you cannot sell single tickets for \$1(or a set price) while offering a package of 3 tickets for \$2 or 6 tickets for \$5. All tickets must be sold for the same price.
- All raffle tickets must be sold for the price stated on the ticket and no one is required to purchase more than one (1) ticket or to pay for anything other than a ticket to enter a raffle. KRS 238.545(3).
- All raffle tickets must have a unique identifier (usually a number) for the ticket holder. KRS 238.545(3).
- All raffle tickets must have a detachable section and be consecutively numbered. 820 KAR 1:050 Section 1 (1).
- Unless otherwise specified below:
  - The detachable section on the raffle ticket must include a duplicate number corresponding to the number on the ticket and it must provide space for:
    - The purchaser's name;
    - Complete address; and
    - Telephone number.
  - The raffle tickets must have printed on them:
    - The date and time of the drawing or drawings;

- The location of the drawing or drawings;
- The name and license number of organization conducting the raffle;
- The price of ticket; and
- Each prize to be awarded with a fair market value over \$500.

820 KAR 1:050 Section 1 (2) and (3).

- These requirements do not apply to the following:
  - Raffle tickets sold for \$1 or less;
  - Raffle tickets where all tickets are sold and the winner is selected at a charity fundraising event (CFE); or
  - Raffle tickets where all tickets are sold and the winner is selected at a special limited charity fundraising event (SLCFE).

820 KAR 1:050 Section 1 (4).

- Movie strip tickets (or any other ticket as long as it has a detachable section and is consecutively numbered) can be used for this type of raffle.
- If you use strip tickets, you must use a dual roll ticket. 820 KAR 1:050 Section 1 (1).

**Example:**

<b>Ticket Price</b>	<b>Kind of Ticket</b>	<b>Time Period</b>	<b>Prize Limit</b>
<b>CFE (any price)</b>	Strip	Sold and drawn at event	None
<b>SLCFE (any price)</b>	Strip	Sold and drawn at event	None
<b>\$1 or less</b>	Strip	Any time	None
<b>All tickets \$1 or more</b>	Printed	Any time	None

**C. Location**

- A charitable organization that has established and maintained an office or place of business in a Kentucky county for at least one year can hold a raffle drawing in any Kentucky county. The Department must be notified of the location of the raffle. KRS 238.535(8).

- If the location of the raffle drawing needs to be changed, you must notify the Department in writing at least thirty (30) days before the drawing. KRS 238.535(8).

#### **D. Prizes**

- All prizes for a raffle must be identified in advance of the drawing and all prizes identified must be awarded. KRS 238.545(3).
- The organization is responsible for the transfer and delivery of the prize without lien or interest of others. 820 KAR 1:050 Section 2 (1).
- The prizes must be awarded as indicated on the ticket unless the event is postponed. 820 KAR 1:050 Section 2 (2).

#### **E. Rules of Play**

##### **1. Conducting the Raffle**

- Any person holding a raffle ticket must be permitted to observe the raffle drawing. 820 KAR 1:050 Section 3 (1).
- A person must not be required to be present at the raffle drawing to be eligible for the prize. 820 KAR 1:050 Section 3 (2).
- Each ticket seller **MUST** return all ticket stubs or other detachable sections of all tickets sold to the charitable organization **PRIOR** to the drawing. 820 KAR 1:050 Section 3 (3).
- The organization must place the ticket stubs of the tickets sold into a receptacle that is designed so that each ticket has an equal chance to be drawn. 820 KAR 1:050 Section 3 (4).
- If the raffle is postponed, all reasonable efforts must be made to notify ticket holders of the new drawing date. 820 KAR 1:050 Section 2 (2).

##### **2. Notifying Winner**

- If the winner is not present at the drawing you must notify them within seven (7) days of the drawing to tell them they have thirty (30) days to claim the prize. The notification must be by certified mail. 820 KAR 1:050 Section 3 (5).
- If the winner does not claim the prize or donate it to the organization within thirty (30) days of being contacted, the organization must notify the Department and draw another ticket in the presence of Department personnel. 820 KAR 1:050 Section 3 (7).

**3. Winner Donating Prize to the Organization**

- If a winner wants to donate the prize to the organization, the winner must notify the organization in writing within the same thirty (30) day period they have to claim the prize. 820 KAR 1:050 Section 3 (6).

**4. Does the Winner Have to Be Present?**

- The winner does not have to be present to win in most circumstances. 820 KAR 1:050 Section 3 (2).
- However, an organization is allowed to draw tickets until a winner is present if:
  - The ticket price is \$1 or less;
  - All the tickets are sold and the winner selected at a charity fundraising event (CFE); or
  - All the tickets are sold and the winner selected at a special limited charity fundraising event (SLCFE).  
820 KAR 1:050 Section 3 (8).

## VII. CHARITY FUNDRAISING EVENTS (“CFE”)

### A. General Provisions

- A charity fundraising event (“CFE”) is a fundraising activity of limited duration at which games of chance approved by the Department are conducted, including bingo, raffles, charity game tickets, special limited games, and wagering on prerecorded horse races. KRS 238.505(8).
- Examples of such activities include events that attract patrons for community, social, and entertainment purposes **apart from charitable gaming** such as fairs, festivals, carnivals, bazaars, and conventions. KRS 238.505(8).
  - This means gaming is not the main focus of the event. The gaming must also occur simultaneously with the other event activities.
- A CFE can not exceed seventy-two (72) consecutive hours except for state, county, and city fairs. KRS 238.545(4)(e).
- An organization can have four (4) CFE’s a year. Two (2) of these four (4) can be special limited charity fundraising events (“SLCFE”). KRS 238.545(4)(e).

### B. Licensing

- You do not need a special license to conduct a noncash prize wheel where the prize is valued at \$100 or less. This includes cake wheels or walks. KRS 238.545(4)(b).
- You cannot have a CFE unless you have a license for the event issued by the Department. KRS 238.545(4)(a).
- In order to obtain a license, you must submit a complete, accurate, and verifiable Form CG-Schedule A at least thirty (30) days before the scheduled event. 820 KAR 1:055 Section 1 (1).
- A \$25 processing fee and a lease, if applicable, must accompany the application. 820 KAR 1:055 Section 1 (2) and (3).
- All information requested by the Department must be submitted and reviewed before a license can be granted. 820 KAR 1:055 Section 1 (4).
- The license is issued if the organization possesses a regular charitable gaming license and has met the requirements for licensure set forth in KRS 238.505(8) (definition section) and KRS 238.545(4) (rules for CFE). 820 KAR 1:055 Section 1 (5).

**C. Location**

- A charitable organization that has established and maintained an office or place of business in a Kentucky county for at least one (1) year can hold a CFE in any Kentucky county. KRS 238.535(8)(d).

**D. Advertising and Pre-Registrations**

- The event cannot be advertised until a license has been issued. 820 KAR 1:055 Section 1 (6).
- Pre-registration for an event cannot occur until the license has been issued and only non-cash pre-registrations can be taken prior to the day of the event. This includes payment by checks, credit cards, and electronic fund transfers. 820 KAR 1:055 Section 1 (6) and (7).
- Cash can be taken the day of the event. 820 KAR 1:055 Section 1 (7).

**E. Bingo at a CFE**

- You may play bingo at a CFE with prior approval of the Department. KRS 238.545(4)(c).
- Cash prizes for bingo games during a CFE may not exceed \$5000 for the entire event. KRS 238.545(4)(c).
- A person under eighteen (18) years of age can play bingo at a CFE if they are accompanied by a parent or legal guardian. KRS 238.545(4)(c).
- Reusable bingo hard cards can be used at CFE's. 820 KAR 1:042 Section 1 (3).

**F. Pulltabs at a CFE**

- Pulltabs may be sold with prior approval of the Department. KRS 238.545(1)(d).
- Exempt organizations cannot sell pulltabs at CFE's. 820 KAR 1:055 Section 1 (8).

**G. Raffle at a CFE**

- Raffles can be conducted at a CFE. 820 KAR 1:050 Section 1 (4)(c) and (8)(c).

## **H. Special Limited Games**

- Special limited games can be played at a CFE with prior approval of the Department. KRS 238.545(4)(d) and 820 KAR 1:055 Section 2 (1).

## **I. Charitable Gaming Supplies and Equipment**

- “Charitable gaming supplies and equipment” means any material, device, apparatus, or paraphernalia customarily used in the conduct of charitable gaming, including bingo cards and paper, charity game tickets, and other apparatus or paraphernalia used in conducting games of chance at charity fundraising events. KRS 238.505(15).
- Includes:
  - Roulette wheels; and
  - Craps tables.
- They must be obtained from a distributor licensed by the Department and paid for from the charitable gaming account. 820 KAR 1:055 Section 4 (2).
- Does not include:
  - Poker tables;
  - Blackjack tables;
  - Prize wheels;
  - Dice;
  - Playing cards; and
  - Chips, scrip, or imitation money.
- These do not have to be obtained from a licensed distributor and cannot be paid for from the charitable gaming account. 820 KAR 1:055 Section 4 (1).
- If special limited games are played, you must send the Department a copy of the signed contract for those supplies no later than thirty (30) days after the event. This contract must specify the items provided, at what cost, and from whom. 820 KAR 1:055 Section 4 (3).

## **J. Volunteers and Chairperson**

- All individuals involved in the conduct of a CFE must be trained in the proper conduct of the game and control of funds. 820 KAR 1:055 Section 3 (1).
- The chairperson is required to: 1) be in charge of the gaming occasion; 2) supervise and direct all volunteers; and 3) be responsible

for assuring proper receipt and recording of gaming funds. 820 KAR 1:055 Section 3 (2).

**K. Expenses**

- The organization must pay the gaming expenses for the event from the gaming account. All other expenses must be paid from the general account. 820 KAR 1:055 Section 5 (1).
- If an expense is both a gaming expense and a general expense, the expense must be prorated pursuant to the amount of gross receipts obtained from gaming and non-gaming events. The full amount must be paid from the general account and the amount attributable to gaming must be reimbursed from the gaming account to the general account. 820 KAR 1:055 Section 5 (2).

## **VIII. SPECIAL LIMITED CHARITY FUNDRAISING EVENTS (“SLCFE”)**

### **A. General Provisions**

- A special limited charity fundraising event (“SLCFE”) is any type of charity fundraising event, commonly known as and operated as a “casino night,” “Las Vegas night,” or “Monte Carlo night,” at which the predominant number or types of games offered for play are special limited charitable games. KRS 238.505(18).
- Special limited charitable game means roulette, blackjack, poker, keno, money wheel, baccarat, pusher-type games, any dice game where the player competes against the house, and any other game of chance as identified, defined, and approved by administrative regulation of the Department. KRS 238.505(17).

### **B. Age Restriction**

- No person under eighteen (18) years of age is allowed to play or conduct any special limited charitable game. KRS 238.545(4)(e).

### **C. Number, Time, and Location**

- A licensed charitable organization is limited to two (2) SLCFE licenses per year. KRS 238.547(1) and KRS 238.545(4)(e).
- A SLCFE is limited to one (1) session which cannot exceed six (6) hours. KRS 238.547(1).
- The event must be conducted between the hours of 12 noon and 1:00 a.m. KRS 238.547(1).
- A special limited event may be held:
  - On or in the premises of a licensed charitable organization;
  - In a licensed facility as long as the facility does not have more than seven (7) SLCFE’s per license year and one (1) per week KRS 238.555(7); or
  - At an unlicensed facility if:
    - The facility has no more than 1 SLCFE event per year;
    - The facility is closed to the general public during the event or the event is held in a separate room or area not accessible to the general public;
    - The equipment is removed from the premises within two (2) working days; and

- The facility follows the prohibitions pertaining to a licensed facility stated in KRS 238.555(3).  
KRS 238.547(2).
- A charitable organization that has established and maintained an office or place of business in a Kentucky county for at least one year can hold a SLCFE in any Kentucky county. KRS 238.535(8)(d).

#### **D. Licensing**

- The SLCFE proposed must meet the definition of a CFE held for community, social, or entertainment purposes **apart from charitable gaming**. KRS 238.545(4)(d) and 820 KAR 1:055 Section 2.
- In order to have such an event, you must get a special license by submitting a complete, accurate, and verifiable Form CG-Schedule A at least thirty (30) days before the scheduled event. 820 KAR 1:056 Section 1 (1).
- A \$25 processing fee and a lease, if applicable, must accompany the application. 820 KAR 1:056 Section 1 (2) and (3).
- All information must be submitted and reviewed before a license can be granted. 820 KAR 1:056 Section 1 (4).
- The license will be issued if the organization possesses a regular charitable gaming license and has met the requirements for licensure set forth in KRS 238.505(18) and KRS 238.547. 820 KAR 1:056 Section 1 (5).

#### **E. Advertising and Pre-Registration**

- The event cannot be advertised and pre-registrations cannot be taken until a license is issued. 820 KAR 1:056 Section 1 (6).
- Only non-cash pre-registrations can be taken prior to the day of the event (checks, credit cards, and electronic fund transfers). 820 KAR 1:056 Section 1 (7).
- Cash can be taken the day of the event. 820 KAR 1:056 Section 1 (7).

#### **F. Volunteers and Chairperson**

- All individuals involved in the conduct of a SLCFE must be trained in the proper conduct of the game and control of funds. 820 KAR 1:056 Section 2 (1).
- The chairperson is required to: 1) be in charge of the gaming occasion; 2) supervise and direct all volunteers; and 3) be responsible

for assuring proper receipt and recording of gaming funds. 820 KAR 1:056 Section 2 (2).

### **G. Tournaments**

- If the special limited games are played as a tournament then:
  - You must keep attendance;
  - You must have a program on which the following are listed:
    - The cost to enter;
    - The cost of the buy backs;
    - The cost of add ons;
    - The rules of the game;
    - The manner for raising blinds or closing tables; and
    - The prizes (which may be listed as a percentage of receipts.)
- A CG-VOL must be completed and kept. 820 KAR 1:058 Section 8 (7).

820 KAR 1:056 Section 1 (11).

### **H. Charitable Gaming Supplies and Equipment**

- “Charitable gaming supplies and equipment” means any material, device, apparatus, or paraphernalia customarily used in the conduct of charitable gaming, including bingo cards and paper, charity game tickets, and other apparatus or paraphernalia used in conducting games of chance at charity fundraising events. KRS 238.505(15).
- Includes:
  - Roulette wheels; and
  - Craps tables.
- They must be obtained from a licensed distributor and paid for from the charitable gaming account. 820 KAR 1:056 Section 3 (2).
- Does not include:
  - Poker tables;
  - Blackjack tables;
  - Prize wheels;
  - Dice;
  - Playing cards; and
  - Chips, scrip, or imitation money.
- These items do not have to be obtained from a licensed distributor and cannot be paid for from the charitable gaming account. 820 KAR 1:056 Section 3 (1).

- For all special limited games played, you must send the Department a copy of the signed contract for those supplies no later than thirty (30) days after the event. This contract must specify the items provided, at what cost, and from whom. 820 KAR 1:055 Section 4 (3) and 820 KAR 1:056 Section 3 (3).

#### **I. Central Bank**

- Cash cannot be used in playing special limited games at a SLCFE. KRS 238.547(3).
- Games have to be played with chips, scrip, or imitation money which can only be purchased through a central bank or from the cashier under the authority of the designated chairperson. KRS 238.547(3). The cashier must be at a central location.
- No chips, scrip, or imitation money can be sold at a gaming table or by a dealer. KRS 238.547(3).
- For all games that require a central bank to be used, the amount of money received for selling chips, scrip, or imitation money must be the gross receipts; all chips, scrip, or imitation money redeemed must be the payouts; and all money remaining must be the adjusted gross receipts. 820 KAR 1:056 Section 1 (9).
- You must pre-count chips, scrip, and imitation money for games that require a predetermined amount of chips, scrip, or imitation money. 820 KAR 1:056 Section 1 (10).
- You must keep accurate records of all chips, scrip, or imitation money sales, whether the sale is an initial entry fee or a later purchase. 820 KAR 1:056 Section 1 (10).

#### **J. Prizes**

- Chips, scrip, or imitation money may be redeemed for cash or prizes.
- Prizes to be offered and their fair market values must be displayed or listed in a conspicuous location within the gaming area.
- Prizes must be redeemed directly or through an auction process within twenty-four (24) hours after the end of the event. KRS 238.547(4).

#### **K. Expenses**

- You must pay the gaming expenses for the event from the gaming account and all other expenses must be paid from the general account. 820 KAR 1:056 Section 4 (1).

- If an expense is both a gaming expense and a general expense, you must prorate pursuant to the amount of gross receipts obtained from gaming and non-gaming events. 820 KAR 1:056 Section 4 (2).
- The full amount must be paid from the general account and the amount attributable to gaming must be reimbursed from the gaming account to the general account. 820 KAR 1:056 Section 4 (2).
- When writing the check to reimburse the general account, please indicate on the financial report that the check is to reimburse the general account for a gaming expense.
- Food, beverages, and other items provided to participants without additional payment at an event where only gaming activity takes place must be considered a promotional expense if all participants are equally eligible. 820 KAR 1:056 Section 4 (3).

## IX. ORGANIZATION BOOKS AND RECORDS

### A. Definitions

- “Gross receipts”
  - All money collected or received from the conduct of charitable gaming. KRS 238.505(2).
  - Includes all money received from the sale of:
    - Raffle tickets;
    - Bingo cards or faces;
    - Pickle jars, bonanza balls, or hot balls;
    - Card-minding devices;
    - Pulltabs;
    - Charity fundraising event games;
    - Special limited charity fundraising event games;
    - Bad check collections;
    - Credit card fees; and
    - Reasonable check collection fees minus bad checks. 820 KAR 1:057 Section 1 (8).
- “Adjusted gross receipts”
  - Gross receipts minus all cash prizes and the amount paid for merchandise prizes purchased. KRS 238.505(13).
- “Net receipts”
  - Adjusted gross receipts minus all expenses, charges, fees, and deductions authorized under the charitable gaming laws. KRS 238.505(14).
- “Door prize”
  - A prize awarded to a person based solely upon the person’s attendance at an event or the purchase of a ticket to attend an event. KRS 238.505(16).
- "Cash"
  - Currency, coinage, or a negotiable instrument. 820 KAR 1:001 Section 1 (11).
- "Cash short"
  - The total amount of money actually received from the sale of gaming supplies at a gaming occasion is less than the amount of money due from the sale of that quantity of gaming supplies. 820 KAR 1:001 Section 1 (13).

- "Cash over"
  - The total amount of money actually received from the sale of gaming supplies at a gaming occasion is more than the amount of money due from the sale of that quantity of gaming supplies. 820 KAR 1:001 Section 1 (12).
- "Chief Executive Officer"
  - The director of the organization or the person who has legal authority to direct the management of the organization. 820 KAR 1:001 Section 1 (14).
- "Chief Financial Officer"
  - The person who must be:
    - Responsible for overseeing the financial activities of the organization;
    - The custodian of the gaming occasion records; and
    - Responsible for ensuring that the records are accurate, complete, and maintained regularly for inspection by the Department. 820 KAR 1:001 Section 1 (15) and 820 KAR 1:057 Section 3 (1).

## **B. General Provisions**

### **1. Hand Written Data**

- If you hand write data and later enter the information onto another form or computer program, you must retain the hand written records along with the other form or computer generated record. 820 KAR 1:057 Section 3 (2).

### **2. Corporate Records**

- You must have and maintain accurate and adequate corporate or other organizational records, including articles of incorporation, minutes of board of directors meetings, and resolutions. 820 KAR 1:057 Section 3 (3).

### **3. Records of Expenditures**

- You must keep detailed records of all expenditures made in furtherance of your charitable purpose, including all charitable contributions. 820 KAR 1:057 Section 3 (4).

#### **4. Records Available for Inspection**

- You must keep all gaming occasion records for a period of three (3) years. 820 KAR 1:058 Section 1 (9).
- All records must be made available for inspection and audit at the request of the Department. 820 KAR 1:057 Section 3 (5) and 820 KAR 1:058 Section 1 (9).
- You must provide records requested by the Department or any of its employees within ten (10) calendar days unless a longer response time is allowed by the request. 820 KAR 1:057 Section 3 (7) and 820 KAR 1:058 Section 1 (10).
- Any organization's records, or copies of those records, deemed necessary to complete an inspection, audit, or investigation may be retained by the Department or its employees or agents. The Department will provide a written receipt of the records at the time of removal. 820 KAR 1:057 Section 3 (6).

#### **5. Pulltabs Kept for Twelve (12) Months**

- You must keep the following for twelve (12) months:
  - All winning pulltabs with a prize value of \$50 and above;
  - The flare from all winning pulltabs with a prize value of \$50 and above;
  - All seal cards with a prize value of \$50 and above;
  - All prize boards in cumulative games with a prize value of \$50 and above; and
  - All unsold pulltabs.
- These records may be retained at the gaming location. 820 KAR 1:036 Section 2 (15)(a) and (b).

#### **C. Charitable Gaming Account**

- The organization must have one (1) checking account devoted exclusively to charitable gaming. KRS 238.550(2) and 820 KAR 1:057 Section 1 (1).
- This account must:
  - Be separate from any other account maintained by the organization. 820 KAR 1:057 Section 1 (1) and KRS 238.550(2);
  - Be designated the "charitable gaming account." KRS 238.550(2); and

- Be maintained at a financial institution located in Kentucky. KRS 238.550(2).
- No other funds may be deposited or transferred into the charitable gaming account. KRS 238.550(2).
- All payment of gaming expenses, prizes purchased, and charitable donations from charitable gaming receipts must be made from the charitable gaming account. KRS 238.550(3).
- The amount of donations received at a gaming occasion must be deposited into the general account, not the gaming account. 820 KAR 1:058 Section 1 (3)(d)(4).

**D. Checks from the Gaming Account**

- Payments or donations can only be made by bona fide officers of the organization. KRS 238.550(3).
- Payments or donations can only be made by check or electronic funds transfer directly from the charitable gaming account. KRS 238.550(3) and 820 KAR 1:057 Section 1 (2).
- Checks must:
  - Have preprinted consecutive numbers;
  - Be imprinted with the words “charitable gaming account;” and
  - Contain the organization’s license number on the face of each check.
 KRS 238.550(3).
- Unless it is for start up cash, no check can be made payable to “cash” or “bearer.” Checks must be made payable to specific persons or organizations. KRS 238.550(3).

**E. Electronic Funds Transfer**

- You can make an electronic funds transfer to pay for charitable gaming expenses, prizes purchased, and charitable donations as long as it is made to a specific person or organization. KRS 238.550(3).

**F. Deposits**

- Gross receipts and adjusted gross receipts must be deposited in the charitable gaming account within two (2) business days after a gaming event or session is completed. KRS 238.550(2) and 820 KAR 1:057 Section 1 (3).

- The deposit for each occasion must be made separately and cannot be combined with the deposit from any other occasion. 820 KAR 1:057 Section 1 (3).
- All types of deposits, including start up cash, bad checks collected and check collection fees, progressive game carry forward, and adjusted gross receipts, must be listed separately on the deposit reconciliation sheet and the deposit slip, if possible. 820 KAR 1:057 Section 1 (4).
- Each individual check must be listed separately on the deposit slip. If a register tape is run listing the amounts of the individual checks, it may be attached to the deposit slip. Total cash and coins must be listed separately. 820 KAR 1:057 Section 1 (4).
- You must keep a copy of the deposit slip. 820 KAR 1:057 Section 1 (4).

#### **G. Bad Checks**

- You must keep checks that have been returned for insufficient funds and which have not been collected for three (3) years following the close of the calendar year in which the check was issued. 820 KAR 1:057 Section 1 (5).
- If the check has been turned over to someone else for collection, you must keep a copy of the check and information regarding the person collecting the check. 820 KAR 1:057 Section 1 (5).

#### **H. Bank Statements and Checks**

- You must keep monthly bank statements and reconciliations for **all accounts** for three (3) years following the close of a calendar year. 820 KAR 1:057 Section 1 (6).
- Upon request, you must provide to the Department copies of the fronts and backs of checks from any account into which charitable gaming funds are deposited or transferred. 820 KAR 1:057 Section 1 (7).
- This includes checks on accounts other than just the charitable gaming account.

#### **I. Gross Receipts**

- Only chairpersons, officers, or employees of the organization can handle adjusted gross receipts from gaming. KRS 238.550(1).

**J. Start-Up Cash**

- If you obtain start-up cash from the gaming account, you must deposit it back into the gaming account. KRS 238.550(3).
- The start-up cash must be identified on the check withdrawing the funds and on the deposit slip, if possible. 820 KAR 1:057 Section 2 (2).
- If you do not obtain start-up cash from the gaming account, you must identify the source of start-up on the deposit reconciliation sheet which is signed by the chairperson. 820 KAR 1:057 Section 2 (1).
- You cannot mix your start-up cash with the start up cash from another organization. 820 KAR 1:057 Section 2 (2).

**K. Destroying Gaming Supplies**

- Before you destroy a bulk amount of gaming supplies, you must perform an inventory and obtain permission from the Department. 820 KAR 1:057 Section 3 (8).
- The gaming supplies must be destroyed by burning in compliance with state and federal law, shredding, destroying, or defacing in some manner to prevent reuse of any pulltab, flare, prize board, seal card, bingo paper, or any portion thereof. 820 KAR 1:057 Section 3 (8) and 820 KAR 1:036 Section 2 (15)(c).

**L. Ceasing to Game**

- If you are going to quit gaming, you must perform a final inventory of all gaming supplies and make arrangements to dispose of the product. 820 KAR 1:057 Section 3 (9), 820 KAR 1:036 Section 1 (8), and 820 KAR 1:046 Section 1 (22).
- You may:
  - Return all unused product to a distributor;
  - Donate the product to another organization with permission from the Department; or
  - Destroy the product with permission from the Department. 820 KAR 1:057 Section 3 (9), 820 KAR 1:036 Section 1 (8), and 820 KAR 1:046 Section 1 (22).
- Abandoned gaming supplies will be seized by the Department and destroyed. 820 KAR 1:036 Section 1 (8)(b) and 820 KAR 1:046 Section 1 (22)(b).

- You must spend or donate the money raised in charitable gaming consistent with the charitable purpose of the organization. 820 KAR 1:057 Section 3 (9)(c).

## **X. GAMING OCCASION RECORDS**

### **A. General Provisions**

- You must prepare and maintain records for each gaming occasion. 820 KAR 1:058 Section 1 (1).
- The records must be prepared by a volunteer or chairperson. The records cannot be completed by a bookkeeper who is compensated for doing so. 820 KAR 1:058 Section 1 (1).
- The gaming occasion record must contain:
  - The date of the gaming occasion;
  - The organization name and license number;
  - The name and address of the donor of every donated prize whose fair market value is in excess of \$500; and
  - A deposit reconciliation worksheet.  
820 KAR 1:058 Section 1 (3).
- Charitable gaming receipts and records must be kept separate from non-charitable gaming receipts and records. 820 KAR 1:058 Section 1 (8).
- All gaming occasion records must be retained by the organization for a period of three (3) years and made available for inspection and audit upon request of the Department. 820 KAR 1:058 Section 1 (9).
- You must provide records requested by the Department or any of its employees within ten (10) calendar days unless a longer response time is allowed by the request. 820 KAR 1:058 Section 1 (10).

### **B. Deposit Reconciliation**

- Gaming proceeds must be counted by an officer or a chairperson and the count must be verified. A count may be verified by a volunteer. 820 KAR 1:058 Section 1 (2).
- The deposit reconciliation worksheet must record:
  - All currency, coins, checks, and credit card receipts available for deposit;
  - All profit or loss from each gaming activity, all start up cash, all cash from incomplete pulltab sales, any progressive game carry forward, bad checks collected and check collection fees, and all other gaming receipts that should be available for deposit;
  - Any variance between the amount of currency, coins, checks, and credit card receipts actually available for deposit, and the

amount that should be available for deposit according to the gaming occasion records;

- The amount of donations received at the gaming occasion which will be deposited into the general account;
- The printed name and signature of the chairperson in charge of the gaming occasion;
- The printed name and signature of the person taking the deposit from the gaming occasion;
- The printed name and signature of the person making the deposit if different from the person taking the deposit; and
- The printed name and signature of the person in possession of the start-up cash, and the amount and source of the start up cash.

820 KAR 1:058 Section 1 (3).

### **C. Prizes**

- "Merchandise prize" means a non-cash prize given away at a charitable gaming event either as a game prize or a door prize. 820 KAR 1:001 Section 1 (44).
- "Purchased prize" means any merchandise prize that was purchased and not donated. 820 KAR 1:001 Section 1 (59).
- If a merchandise prize or discount is available to everyone, it is considered a promotional item and counted as an expense. 820 KAR 1:046 Section 9 (1).
- If a merchandise prize or discount is not available to everyone and it is awarded as a bingo prize it must:
  - Be included in the \$5,000 per session bingo payout limit at its fair market value; and
  - Be included in expenses for purchased prizes at actual cost unless it is a gaming supply and then it must be included in supplies expense at actual cost.820 KAR 1:046 Section 9 (2).
- The fair market value of bingo paper, a CMD, or pulltabs given away as a merchandise prize is the price that a patron would have paid for the same bingo paper, CMD, or pulltab at that gaming occasion. 820 KAR 1:046 Section 9 (3) and 820 KAR 1:036 Section 2 (16).

#### **D. Coupons and Gift Certificates**

- If an organization offers coupons for bingo paper or a card-minding device, a voucher must be completed when the coupon is redeemed. 820 KAR 1:058 Section 1 (4), 820 KAR 1: 036 Section 2 (17)(a), (18)(a), and 820 KAR 1:046 Section 9(8).
- The coupon and voucher must be retained with the gaming occasion records. 820 KAR 1:058 Section 1 (4) and 820 KAR 1:046 Section 9(8).
- If an organization offers coupons for pulltabs, the type and number of pulltabs given away must be recorded on the gaming occasion records and on CG-FIN Attachment C and D. The coupon must be retained with the gaming occasion records. 820 KAR 1:058 Section 1 (5).
- If the organization sells gift certificates for bingo paper or a CMD, the receipts for the sale must be counted as gaming receipts on the day they are received. 820 KAR 1:058 Section 1 (6) and 820 KAR 1:046 Section 9 (9).
- When the gift certificate is redeemed, a voucher must be completed and the gift certificate and the voucher must be retained with the gaming occasion records. 820 KAR 1:058 Section 1 (6) and 820 KAR 1:046 Section 9 (9).
- If the organization sells gift certificates for pulltabs, the receipts for the sale must be counted as gaming receipts on the day they are received. 820 KAR 1:058 Section 1 (7).
- When the gift certificate is redeemed, the type and number of pulltabs given away must be recorded on the gaming occasion records and on CG-FIN Attachment C and D. The gift certificate must be retained with the gaming occasion records. 820 KAR 1:058 Section 1 (7).

**E. Vouchers**

- Vouchers are only necessary in the following instances:

	<b>Promotional</b>	<b>Door Prize</b>	<b>Bingo or Pulltab Game Prize</b>
<b>Bingo Paper</b>	Description listed on program	Voucher	Voucher
<b>CMD</b>	Description listed on program	Voucher	Voucher
<b>Pulltabs</b>	Amount and description listed on program	Amount and description listed on program	Treat as cash payout; purchase from pulltabs

820 KAR 1:036 Section 2 (17) through (19) and 820 KAR 1:046 Section 9 (5) and (7).

- The voucher must be completed with:
  - The name, address, and phone number of the patron redeeming the voucher;
  - The date on which it was awarded;
  - The date on which it was redeemed;
  - The amount of bingo paper, or the number of CMD and number of faces loaded on each device, awarded in exchange for the voucher; and
  - The serial number of the bingo paper. 820 KAR 1:036 Section 2 (17) and (18).
- Once the voucher is completed, it must be redeemed for the bingo paper or CMD. 820 KAR 1:036 Section 2 (17)(c) and (18)(c).
- The voucher must be retained with the session records. 820 KAR 1:036 Section 2 (17)(d) and (18)(d).
- Vouchers are not required when awarding pulltabs, however, if a pulltab is awarded as a promotional item or door prize, the amount and description of the pulltab given away must be listed on the gaming occasion program. The person in charge of bingo payouts must purchase the pulltabs from the pulltab manager by transfer of cash from bingo payout to pulltab sales and it must be recorded as a sale on the session records. 820 KAR 1:036 Section 2 (19).

## **F. Bingo Records**

### **1. Bingo Paper Sales Records**

- Bingo paper sale records must contain the following information:
  - Attendance determined by a headcount of the number of people playing bingo;
  - Each type of bingo paper being sold;
  - The serial number of the set of each type of paper sold;
  - The number of each type of bingo paper given away with the voucher being redeemed attached to the gaming occasion records, if applicable;
  - The number of each type of bingo paper destroyed;
  - Number of each type of bingo paper sold;
  - Price of each type of bingo paper sold;
  - Number of pickle jar, bonanza ball, or hot ball games sold;
  - The price of pickle jar, bonanza ball, or hot ball games and whether the price is per person or per pack;
  - The number of player pick bingo games sold;
  - The price of each player pick bingo game sold;
  - The amount of money expected to be received from the sale of bingo paper, player pick, and pickle jar, bonanza ball, or hot ball for that occasion;
  - The amount of money actually received from the sale of bingo paper, player pick, and pickle jar, bonanza ball, or hot ball for that occasion;
  - The cash short or cash over from the sale of bingo paper, player pick, and pickle jar, bonanza ball, or hot ball for that occasion;
  - The sales report printed from the player pick machine that includes the number of games sold, price for each game, and the amount of money expected from the sale of player pick games for that game occasion;
  - Records of all carryover or cumulative bingo games played;
  - Form CG-VOL; and
  - A copy of the gaming occasion program which must include:
    - The organization's name and license number;
    - A specific description of all bingo products for sale and the price of each product; and
    - All bingo games played and the payout and alternate payout, if any, for each game.

820 KAR 1:058 Section 2.

## **2. Progressive Bingo Game Records**

- Carryover of cumulative bingo game records must contain the following information:
    - The name of each progressive bingo game in play;
    - The amount carried over from the previous occasion;
    - The receipts from the current occasion;
    - The amount paid out for the current occasion; and
    - The amount carried forward to the next occasion.
- 820 KAR 1:058 Section 2 (16).

## **3. Bingo Payout Records**

- Bingo payout records must contain the following information:
  - A list of all bingo games that will be played at that gaming occasion;
  - Each pickle jar, bonanza ball, or hot ball game available to be awarded;
  - The prize expected or available to be awarded for each bingo game and door prize;
  - The prize that was actually awarded for each bingo game and door prize;
  - A notation for the prize awarded for each bingo game and door prize, specifying whether the prize was cash, a check, or merchandise, and if merchandise, a description of that merchandise, the cost of the merchandise, and the fair market value of the merchandise;
  - If a voucher was issued for a card-minding device or bingo paper, the fair market value of the CMD or bingo paper;
  - The total amount of all cash awarded for bingo prizes and door prizes;
  - The total amount of all checks issued as bingo prizes and door prizes;
  - The total cost and fair market value of all merchandise awarded for bingo prizes and door prizes;
  - A grand total of cash, checks, and the fair market value of merchandise awarded for bingo prizes and door prizes, which must not exceed \$5,000;
  - If a check from the organization's charitable gaming checking account was issued as a prize instead of cash, the number of the check;

- If a pulltab is awarded as a bingo prize:
  - The person in charge of bingo payouts must purchase the pulltabs from the pulltab manager by transfer of cash from bingo payout to pulltab sales;
  - It must be recorded as a cash payout on the bingo payout session record;
  - It must be included as a gross receipt on the pulltab session record; and
  - It must be included as a gross receipt on CG-FIN Attachment C and D.
- If pulltabs are given away as a door prize, the amount given away:
  - Must be included as a gross receipt on the pulltab session record and on CG-FIN Attachment C and D;
  - Must be listed on the pulltab session record as given away;
  - Must be included at fair market value on CG-FIN Attachment B to determine compliance with the \$5,000 payout limit;
  - Must be deducted from gross receipts on CG-FIN Attachment C and D; and
  - Must not be listed as a purchased prize on CG-FIN Part 1 line 2.
- If pulltabs are given away as a promotional item, the amount given away:
  - Must be included as a gross receipt on the pulltab session record and on CG-FIN Attachment C and D;
  - Must be listed on the pulltab session record as given away;
  - Must be deducted from gross receipts on CG-FIN Attachment C and D; and
  - Must not be listed as a purchased prize on CG-FIN Part 1 line 2.

820 KAR 1:058 Section 3.

#### **G. Card-Minding Device Records**

- CMD records must contain the following information:
  - The type of programs loaded, including the number of faces;
  - The number of units rented for each type of program;

- The number of each type of CMD rental given away, with the redeemed voucher attached to the gaming occasion records;
- The number of units voided for each type of program;
- The price per unit for each type of program;
- The amount of money expected to be received from the rental of CMD;
- The actual amount of money received from the rental of CMD for that gaming occasion;
- The cash short or cash over from the rental of CMD for that gaming occasion;
- The total sales activity report;
- Form CG-VOL; and
- A copy of the gaming occasion program, which must include:
  - The organization name and license number;
  - A specific description of all bingo products for sale and the price of each product; and
  - All bingo games played and the payout and alternate payout, if any, for each game.

820 KAR 1:058 Section 4.

## **H. Pulltab Records**

### **1. Pulltabs Generally**

- Pulltab records must contain the following information for each session:
  - The name, serial number, and form number of all games played;
  - The name of all progressive jackpot games in play during that session;
  - The ticket count for each pulltab game sold;
  - The price for each ticket;
  - The prize expected or available to be awarded for each pulltab game, including the progressive jackpot games;
  - The name, serial number, form number, and quantity of pulltab tickets given away as a door prize or a promotional item;
  - If a pulltab is awarded as a pulltab prize:
    - The person in charge of pulltab payouts must purchase the pulltabs from the deal being awarded as the prize by transfer of cash from the deal being sold to the deal being awarded as the prize;

- It must be recorded as a cash payout for the deal being sold; and
  - It must be included as a gross receipt for the deal being awarded as a pulltab prize and on CG-FIN Attachment C and D;
- The prize that was actually awarded for each pulltab game, specifying whether the prize was cash, a check, or merchandise, and, if merchandise, a description of that merchandise and the cost;
- If a voucher was issued for card-minding devices or bingo paper, the fair market value of the CMD or bingo paper;
- If a pulltab game was played in conjunction with a progressive jackpot game as designed by the manufacturer, the amount contributed to the progressive jackpot;
- The cash short or cash over for each pulltab session;
- The total amount of all cash awarded for pulltab prizes;
- The total amount of all checks issued as pulltab prizes;
- The total cost of all merchandise awarded for pulltab prizes;
- If a check from the organization's charitable gaming checking account was issued as a pulltab prize instead of cash, the number of the check;
- The total amount of money from any incomplete sale of pulltab games; and
- Form CG-VOL.  
820 KAR 1:058 Section 5 (1).

## **2. Progressive Pulltab Records**

- If progressive pulltab games are sold, the pulltab records must contain the following information:
  - The name of each progressive pulltab jackpot game in play;
  - The amount carried over from the previous occasion;
  - The receipts from the current occasion;
  - The amount paid out for the current occasion;
  - The amount carried forward to the next occasion;
  - The serial number of all games that contributed to the prize pool; and
  - Form CG-Vol.  
820 KAR 1:058 Section 5 (1).

## **I. Raffle Records**

### **1. \$1 Raffles**

- For raffle tickets selling for one dollar (\$1) or less, the raffle records must contain:
  - The beginning and ending serial number or ticket number for each roll of tickets sold or the beginning and ending number of the tickets printed;
  - The quantity of tickets sold;
  - The sales price of the tickets;
  - The date of the raffle;
  - The total amount of money collected for the raffle event;
  - The total amount of money that should have been collected based on the number of ticket stubs collected for the raffle event;
  - Total cash short or cash over amount from raffle ticket sales for the raffle event;
  - A list of all raffle prizes awarded;
  - A notation for the prize awarded for each raffle specifying whether the prize was cash, a check, or merchandise, and if merchandise, a description of that merchandise and the cost;
  - The total amount of all cash awarded for raffle prizes;
  - The total amount of all checks issued as raffle prizes;
  - If a check from the organization's charitable gaming checking account was issued as a prize instead of cash, the number of the check;
  - Each winning ticket stub; and
  - A list of all raffle expenses, including a copy of all invoices supporting each expense.

820 KAR 1:058 Section 6 (4).

### **2. More Than \$1 to Less Than \$50 Ticket Raffles**

- If the raffle tickets sell for more than one dollar (\$1) but less than fifty dollars (\$50), the raffle records must contain:
  - The number of raffle tickets printed;
  - The sales price for each ticket;
  - The date the ticket sales began;
  - The date the raffle drawing was held;
  - A voided raffle ticket or copy of a raffle ticket;
  - The total amount of money collected for the raffle event;

- The total number of ticket stubs collected from the sale of all raffle tickets for the raffle event;
  - The total amount of money that should have been collected based on the number of ticket stubs collected for the raffle event;
  - Total cash short or cash over amount from raffle ticket sales for the raffle event;
  - A list of all raffle prizes awarded;
  - A notation for the prize awarded for each raffle, specifying whether the prize was cash, a check, or merchandise, and, if merchandise, a description of that merchandise and the cost;
  - The total amount of all cash awarded for raffle prizes;
  - The total amount of all checks issued as raffle prizes;
  - If a check from the organization's charitable gaming checking account was issued as a prize instead of cash, the number of the check;
  - Each winning ticket stub; and
  - A list of all raffle expenses including a copy of all invoices supporting each expense.
- 820 KAR 1:058 Section 6 (3).

**3. \$50 or More to Less Than \$100 Ticket Raffles**

- If the raffle tickets sell for fifty dollars (\$50) or more but less than one hundred dollars (\$100), the raffle records must contain:
  - All of the information listed in 2 above; and
  - If tickets are given to volunteers to sell, a list of each volunteer's name, the total number of tickets, and the range of ticket numbers given to them.

820 KAR 1:058 Section 6 (2).

**4. \$100 or More Ticket Raffles**

- If the raffle tickets sell for one hundred dollars (\$100) or more, the raffle records must contain:
  - All of the information listed in 2 above;
  - If tickets are given to volunteers to sell, a list of each volunteer's name , the total number of tickets, and the range of ticket numbers given to them; and
  - All unsold tickets.

820R 1:058 Section 6 (1).

## 5. Raffle Recordkeeping Chart

Records to be kept based on ticket price	\$100 or more	\$50 or more but less than \$100	More than \$1 but less than \$50	\$1 or less (strip)
Number of tickets printed	X	X	X	
Price	X	X	X	X
Date sales began	X	X	X	
Date of drawing	X	X	X	X
Voided ticket or copy of ticket	X	X	X	
Total money collected from ticket sales	X	X	X	X
Total number of ticket stubs	X	X	X	
Money that should have been collected from ticket sales	X	X	X	X
Cash short or over	X	X	X	X
List of Prizes awarded	X	X	X	X
Notation of prize awarded, specifying if cash, check, or merchandise; description and cost of merchandise	X	X	X	X
Total amount of cash awarded for prizes	X	X	X	X
Total amount of all checks issued for prizes	X	X	X	X
If checks issued, check numbers	X	X	X	X
Each winning ticket stub	X	X	X	X
List of raffle expense and copy of invoices	X	X	X	X
Names of volunteers to whom tickets given to sell, number of tickets given, ticket numbers given	X	X		
Unsold tickets	X			
Number of tickets sold				X
Ticket numbers (beginning and ending serial # of roll of strip tickets or beginning and ending ticket #s of printed tickets)				X

## **J. Charity Fundraising Event Records**

- Must contain:
  - The name of each game of chance played;
  - The price to play each game of chance;
  - The adjusted gross receipts received from the sale of each game of chance;
  - The grand total of adjusted gross receipts received from the sale of all games of chance;
  - The total amount of all checks issued for each game of chance prize and door prize;
  - The total cost of all merchandise awarded for each type of game of chance prize and door prize;
  - If a check from the organization's charitable gaming account was issued as a prize instead of cash, the number of the check; and
  - If bingo games, pulltab games, or raffles are conducted, accurate records for these games.

820 KAR 1:058 Section 7.
- If the CFE continues for more than one (1) day, the event records must contain a summary of the required information for each day.  
820 KAR 1:058 Section 7.
- If special limited games are played at a CFE, the records must contain:
  - The name of each game played;
  - The adjusted gross receipts for each game for each day of the charity fundraising event; and
  - A list of all merchandise prizes awarded and the cost.

820 KAR 1:058 Section 7.

## **K. Special Limited Charity Fundraising Event Records**

- Must contain:
  - The name of each type of game played;
  - The quantity of scrip, chips, or imitation money the central bank started with prior to any sales and the corresponding cash amount associated with each denomination of scrip, chips, or imitation money;
  - The quantity of scrip, chips, or imitation money the central bank sold during the special limited charity fundraising event;
  - The amount of money received by the central bank from the sale of scrip, chips, or imitation money;

- Cash short or cash over from the sale of scrip, chips, or imitation money;
- The quantity of scrip, chips, or imitation money collected by the central bank and redeemed for prizes;
- Prizes awarded by the central bank; and
- A notation for prizes awarded, specifying whether each prize was cash, check, or merchandise, and, if merchandise, a description of the merchandise and cost. 820 KAR 1:058 Section 8 (1).
- If the special limited games are played as a tournament then, in addition to the above, you must do the following:
  - Keep a record of attendance;
  - Have a program on which these things are listed:
    - Organization name and license number;
    - The cost to enter;
    - The cost of the buy backs;
    - The cost of add ons;
    - The rules of the game;
    - The manner for raising blinds or closing tables; and
    - The prizes (which may be listed as a percentage of receipts.) 820 KAR 1:058 Section 8 (3).
- If bingo games, pulltab games, or raffles are conducted, accurate records of these games must be kept. 820 KAR 1:058 Section 8 (4) through (6).
- A CG-VOL form must be completed and kept with the gaming occasion records for the event. 820 KAR 1:058 Section 8 (7).

## **XI. FINANCIAL REPORTS FOR ORGANIZATIONS**

### **A. General Provisions**

- You must submit a financial report to the Department either annually or quarterly. KRS 238.550(5), (6), and (7) and KRS 238.535(2).
- The report must be filed on Form CG-FIN which is available on our website, [www.dcg.ky.gov](http://www.dcg.ky.gov). 820 KAR 1:025 Section 2 (1).
- Your license can be revoked or denied if the reports are not filed. KRS 238.550(5) and (8).
- Organizations that have gross receipts of \$200,000 or less per calendar year, and do not have a weekly bingo session, will file the report annually. KRS 238.550(6).
- All other organizations will file the report quarterly. KRS 238.550(7).

### **B. Financial Report**

#### **1. When Due**

- The annual financial report for organizations grossing \$200,000 or less is due on or before January 31<sup>st</sup> for the previous year. 820 KAR 1:025 Section 1 (1).
- The quarterly financial reports are due:
  - April 30 for the quarter January 1 to March 31;
  - July 31 for the quarter April 1 to June 30;
  - October 31 for the quarter July 1 to September 30; and
  - January 31 for the quarter October 1 to December 31.820 KAR 1:025 Section 1 (2).
- The fee imposed on gross gaming receipts must accompany the report. 820 KAR 1:025 Section 3.
- The financial report is considered filed when due if it has been:
  - Mailed to the Department by first class mail, postage prepaid, to the correct address and postmarked by the due date;
  - Received in the office by hand-delivery on or before the due date; or
  - Received by the Department electronically on or before the due date. 820 KAR 1:025 Section 1 (4).

## **2. Late Fine**

- If the quarterly report is not filed when due, or any fee not paid when due, it is a violation and subject to disciplinary action under KRS 238.560(3). 820 KAR 1:028 Section 1.

## **3. What the Report Should Contain**

- The financial report must:
  - Be submitted on the “Financial Report for a Licensed Charitable Organization” form (CG-FIN) including ALL attachments;
  - Be completed in ink or typed;
  - Include the original signature and printed name or, if submitted electronically, the typewritten name of either the Chief Executive Officer or the Chief Financial Officer of the licensed charitable organization;
  - Include the original signature and printed name or, if submitted electronically, the typewritten name of the preparer if prepared by an individual other than the Chief Executive Officer or Chief Financial Officer; and
  - If an organization does not have any information to place on an attachment to the financial report, it must indicate “not applicable” on the attachment. 820 KAR 1:025 Section 2 (1) and (2).

## **C. Expenses**

- Charitable gaming expenses must be paid from the charitable gaming account. KRS 238.550, 820 KAR 1:055 Section 5, and 820 KAR 1:056 Section 4.
- All other expenses must be paid from the general account. 820 KAR 1:055 Section 5 and 820 KAR 1:056 Section 4.

### **1. Allowable Expenses from the Gaming Account**

- Charitable gaming supplies and equipment;
- Rent;
- Utilities;
  - Electric;
  - Gas;
  - Water;
  - Sewer;

- Telephone;
- Trash collection; and/or
- Cable expenses for credit card services or card-minding devices;
- Insurance;
- Advertising, which includes:
  - Handouts;
  - Flyers;
  - Radio;
  - Television;
  - Advertising signs;
  - Billboards; and/or
  - Other media used to promote an event or activity required to be licensed and any printing costs associated with them.
- Janitorial services (does not include supplies);
- Bookkeeping and accounting services;
  - Includes the costs of completing:
    - The financial report;
    - The federal excise tax form; and
    - The federal gaming forms.
  - Does not include:
    - Expenses associated with handling charitable gaming funds;
    - Preparing gaming occasion records; or
    - Ordering supplies.
- Security services;
  - This means a person(s) whose sole duty is to promote and provide peace, order, and safety at a charitable gaming event.
  - This can include patrolling the parking lot or accompanying the organization's personnel to the bank or night depository with the charitable gaming receipts.
  - It cannot include costs for a security or alarm system or for special lighting for the building or parking lot.
- Trade organization dues (Kentucky Charitable Gaming Association);
- Bank fees for:
  - Monthly service charges;
  - Check verification service charges;
  - Check printing charges;
  - Charges relating to returned checks; or

- Copying charges for bank records;
  - Check reader or verification fees;
  - Credit card fees;
  - Food for volunteers;
  - Clothing provided to volunteers;
  - Raffle incentives;
    - Any noncash item not to exceed \$25 in fair market value given upon achieving a predetermined goal in a raffle.
  - Payments made to the Department;
  - Printing;
    - Raffle tickets;
    - Gaming occasion programs;
    - House rules; and
    - Vouchers.
  - Purchase prizes;
  - Promotional items;
    - Means any item available at no charge to all participants at an event;
  - Federal excise taxes;
  - Fees associated with the filing of Internal Revenue Service Form 11-C; and
  - Bad check collection fees.
- KRS 238.550(9) and 820 KAR 1:120

**2. Time for Reporting Expenses**

- All expenses must be reported on the financial report for the date on which payment was made. 820 KAR 1:025 Section 4.
- This date is either the date a check was written or an electronic funds transfer was made, regardless of when the supplies were used or the services were rendered. 820 KAR 1:025 Section 4.

## D. 40% Rule

### 1. Rule

- If the organization is licensed on January 1 then its net receipts must be at least 40% of the adjusted gross receipts for that calendar year. KRS 238.536(1).
- The 40% is calculated as follows:

Gross Receipts (Total sales)	\$ 10,000
- Payouts (Prizes awarded)	8,500
<hr/> Adjusted Gross Receipts (Left at end of event)	1,500
Adjusted Gross Receipts (Left at end of event)	1,500
- Expenses (Rent, Supplies and Equipment, etc.)	500
<hr/> Net Receipts (Profit)	1,000
Net Receipts (Profit)	\$1,000 = 66.67%
Adjusted Gross Receipts (Left at end of event)	\$1,500

Therefore, the organization has complied with the 40% rule.

- The percentage is rounded up to the nearest tenth. KRS 238.536(2).
- **The retention requirement still applies if the license has expired or lapsed. KRS 238.536(1).**
- The following expenses (fees and taxes) are excluded from the calculation of the retention percentage:
  - Fees paid to the Department;
  - Any sales or use tax paid on charitable gaming supplies and equipment by a licensed charitable organization; and
  - Any federal excise taxes paid by a licensed charitable organization. KRS 238.536(1).

### 2. Penalty

- If a charity falls below 40%, it will be placed on probation as set forth below, and must submit an acceptable financial plan detailing corrective actions to be taken to achieve the 40% threshold by the end of the calendar year of the probation. KRS 238.536(2).
  - If the percentage retained is between 35% and 39.9%, the probation will be for six (6) months.

- If the percentage retained is between 30% and 34.9%, the probation will be for one (1) year. The Department will also conduct a six (6) month review of the charitable gaming activities of an organization in this category to evaluate compliance with the financial plan.
- If the percentage retained is between 25% and 29.9%, the probation will be for one (1) year. The organization must participate in mandatory training by the Department. The organization will have a quarterly review of its activities to evaluate compliance with the financial plan and progress toward achievement of the 40% threshold during the probationary period.
- If the organization falls below 25% for one (1) year or below 40% for two (2) years in a row, its license will be suspended for a year.  
KRS 238.536(2).
- The probation or suspension begins on the date the Department notifies the organization unless the organization appeals. If appealed, the date of probation or suspension begins on the date of the final order. KRS 238.536(2)(e).
- If the license is suspended, the organization must submit an acceptable financial plan before obtaining a new license and once the license is obtained, the organization will be on probation for one (1) year and subject to quarterly review. KRS 238.536(3).

## **XII. DEPARTMENT OF CHARITABLE GAMING**

### **A. Organization of the Department**

- The Department of Charitable Gaming is composed of the Commissioner's office including two (2) divisions: the Division of Licensing and Compliance and the Division of Enforcement. The Department also works with the Office of Legal Services which assigns attorneys to the Department.
- The Commissioner's office is responsible for all aspects of the administration of the Department.

### **B. Licensing and Compliance**

- The Licensing and Compliance division is composed of two (2) branches: licensing and compliance.

#### **1. Licensing**

- The licensing branch reviews license applications, sends deficiency letters if required, refers the applications for criminal history checks, reviews exempt status of organizations, issues licenses, and processes any changes requested in the licenses.

#### **2. Compliance**

- Compliance officers conduct on-site inspections of licensed charitable gaming activity to ensure adherence to applicable charitable gaming statutes and administrative regulations, assist licensing with office inspections, investigate complaints, assist with audits, and provide training to licensees.

### **C. Enforcement**

- The Division of Enforcement has two (2) branches: audit and investigation.

#### **1. Audit**

- Auditors conduct in-depth audits of charitable gaming activities to ensure that high standards of accounting, recordkeeping, and reporting of charitable gaming receipts are met. They also review financial plans submitted by licensees that failed to meet the 40% retention requirement.

- The results of such audits may lead to an administrative action against the charitable organization's license.
- Also included in the audit branch is the accounting section. They review and reconcile the financial reports filed by the organizations, process the fees for all licensees, and calculate the retention rate of the organization based on their financial reports at the conclusion of the calendar year.

## **2. Investigation**

- Investigators investigate complaints and allegations of criminal wrongdoing and have peace officer powers pertaining to:
  - charitable gaming; unlicensed and illegal charitable gaming; gambling offenses committed on licensed charitable gaming premises; gambling offenses committed in conjunction with charitable gaming; theft, embezzlement, or other illegal diversion of charitable gaming proceeds; forgery or fraud in the conduct of charitable gaming; damage or destruction of real or personal property owned or leased by a licensee; and violation of any criminal felony offense committed on licensed charitable gaming premises and in the presence of an investigator.
- Their main function is to protect the organizations from persons who would take charitable gaming funds for their personal use.
- The results of investigations could result in administrative action and/or civil or criminal action.
- The investigators cooperate with federal prosecutors, federal law enforcement agencies, the Kentucky State Police, local law enforcement, local prosecutors, and other state agencies.

### **XIII. ADMINISTRATIVE ACTIONS**

#### **A. Violations**

- The Department has the power to prosecute administrative actions for violations of Kentucky's charitable gaming statutes and regulations. KRS 238.560.
- When a violation is discovered, a notice of violation will be written and forwarded to the division director to refer to the Office of Legal Services with a recommended penalty. 820 KAR 1:130.

#### **B. Administrative Action**

- A Notice of Proposed Administrative Action ("NOPAA") is prepared by the Office of Legal Services and mailed to the licensee by certified mail, return receipt requested, and by regular mail. KRS 238.565.
- The licensee can either accept the penalty or appeal the action. KRS 238.565.
- If the action is appealed, the penalty imposed by the Department will not take effect until the appellate process is final. This means the licensee is not required to pay any fine set out in the notice until the appeal is concluded. KRS 238.565 and KRS Chapter 13B.
- If the action is appealed, the Office of Legal Services reviews the case and may, after consultation with the Commissioner, make an offer of settlement to the licensee.
- If the matter cannot be resolved by settlement, it is assigned to an administrative hearing officer and an order setting the case for a prehearing conference is entered. The licensee is permitted to appear at this conference telephonically. KRS 238.565.
- The hearing officer may have several telephonic pre-trial conferences to sort out the issues, attempt to resolve the matter, and prepare the matter for hearing. KRS Chapter 13B.
- If the matter cannot be resolved it is set for hearing. The hearing officer will generally enter an order requiring all parties to file a pretrial compliance listing potential witnesses and exhibits. KRS 238.565.
- Administrative hearings are less formal than judicial hearings. Hearsay evidence is generally admissible at administrative hearings. However, the parties are permitted to make objections which are ruled on by the hearing officer.

- At the hearing, both sides are permitted to present evidence. After hearing the evidence, the hearing officer generally orders the parties to file briefs in support of their positions. After reviewing the briefs, the hearing officer issues a report containing findings of fact, conclusions of law, and a recommendation to the Commissioner. KRS Chapter 13B.
- Either side may file exceptions from the hearing officer's report if they object to any portion of the hearing officer's findings or recommendation. KRS Chapter 13B.
- The Commissioner reviews the findings and recommendation of the hearing officer, and any exceptions that have been filed, and drafts the Final Order. KRS Chapter 13B.
- If the licensee does not accept the Final Order, it may appeal to the Circuit Court. If the licensee has failed to file exceptions to the hearing officer's report, it is prohibited from filing an appeal in Circuit Court from the Final Order. KRS Chapter 13B.

#### **XIV. APPENDIX**

- A.** Copy of CG-1 (Organization Application)
- B.** Copy of CG-Exempt (Exempt Application)
- C.** Copy of CG-Schedule A (CFE or SLCFE Application)
- D.** Copy of CG-FIN (Financial Report)
- E.** Copy of CG-EFR (Exempt Financial Report)
- F.** Sample Bingo Program
- G.** CG-VOL (Volunteer Sign-Up Sheet)

# APPENDIX A

## CHARITABLE ORGANIZATION LICENSE APPLICATION

**A COMPLETE APPLICATION MUST BE RECEIVED AT LEAST 60 DAYS PRIOR TO THE INTENDED START OF GAMING OR BEFORE THE EXPIRATION OF YOUR CURRENT LICENSE.**

### GENERAL ORGANIZATION INFORMATION

1. Organization's Federal Employer Identification No. \_\_\_\_\_ Expiration date: \_\_\_\_\_

2. Organization's Name: \_\_\_\_\_ **ORG-** \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_

Email Address: \_\_\_\_\_ Web Address: \_\_\_\_\_

3. Organization's Physical Location: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

List any other licensed Charitable Organizations that are operated from this physical location:

\_\_\_\_\_

\_\_\_\_\_

4. Does your organization have offices in any other county?  Yes or  No

If 'Yes,' please provide the following for each office (attach additional sheets, if necessary).

Physical Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

Date organization was established in the county: \_\_\_\_\_

Name of any other businesses or charitable organizations that are operated from that location:

\_\_\_\_\_

\_\_\_\_\_



**ORGANIZATIONAL STRUCTURE**

5a. Does your organization have a 501(c) designation from the Internal Revenue Service?  
(This also includes organizations that are covered by a *Group Ruling*.)

Yes or  No

If 'Yes', check what type and attach a copy of the letter or legal document issued by the IRS granting tax-exempt status.  
 501(c) 3     501(c) 4     501(c) 8     501(c) 10     501(c) 19

5b. Is your organization a *Common School* as defined in KRS 158.030, an *Institution of Higher Education* as defined in KRS 164A.305, or a *State College or University* as provided for in KRS 164.290? Pursuant to KRS 158.030, "*Common school*" means an elementary or secondary school of the state supported in whole or in part by public taxation. (NOTE: Does not include PTA, PTO or Boosters).

Yes or  No If 'Yes,' omit Questions 8 and 9.

***If you have answered 'No,' to both of the questions listed above, your organization is currently ineligible for a Charitable Gaming License – DO NOT CONTINUE FURTHER WITH THIS APPLICATION.***

6. What date was the organization established in Kentucky? If the organization has not been established and continuously operating in the Commonwealth of Kentucky for at least three (3) years, the organization is ineligible for a Charitable Gaming license until it has met that requirement.

\_\_\_\_\_ (month) \_\_\_\_\_ (year)

7a. County in which charitable gaming will be conducted: \_\_\_\_\_

7b. Date office was established in the county in which charitable gaming will be conducted:

\_\_\_\_\_ (month) \_\_\_\_\_ (year)

8. Provide a copy of the organization's *Articles of Incorporation*.  
(The charitable purpose **must be** outlined within the *Articles*)

**OR**

If the organization is not currently incorporated or the charitable purposes are not outlined within the *Articles*, provide a statement of the charitable purpose(s) for which the organization was established:

Statement of Purpose defined below: \_\_\_\_\_

*Articles of Incorporation* attached or are on file: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





## GAMING INFORMATION

**\*\*Please note: All gaming activity must be date/day and time specific. Failure to list specific day(s) and time(s) for all gaming activity will require the organization to notify the department and obtain a temporary change. The fee for each change is \$25.00.**

11a. Does your organization plan to conduct bingo?  Yes or  No

11b. List all bingo sessions the organization will conduct and all information requested below. If a session will be held the same time each week, month, etc. you must indicate this by checking the appropriate box.

### BINGO SESSIONS

1. Day of the week/Date first session is to be held: \_\_\_\_\_

Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

Weekly  Bi-Weekly  Monthly  Quarterly  Annually  Semi-Annually  Other  \_\_\_\_\_

Location of bingo session:

\_\_\_\_\_ **FAC-**  
Name of Building (also include the commonly used name of the building) KY License Number

\_\_\_\_\_ **Street Address**

\_\_\_\_\_ **City** **State** **Zip Code**

\_\_\_\_\_ **County** **Telephone** **Facility contact person at this location**

Does the Organization own this facility?  Yes or  No

If 'No,' please provide a signed lease agreement.

If the organization will conduct pull tab sales, raffles, non-cash prize wheels during this bingo session, note the beginning and ending times for each.

**PULLTABS**

Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

**RAFFLES**

Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

**NON-CASH PRIZE WHEELS**

Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

2. Day of the week/Date second session is to be held: \_\_\_\_\_

Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

Weekly  Bi-Weekly  Monthly  Quarterly  Annually  Semi-Annually  Other  \_\_\_\_\_

Location of bingo session:

\_\_\_\_\_  
Name of Building (also include the commonly used name of the building) FAC- KY License Number

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
County Telephone Facility contact person at this location

Does the Organization own this facility?  Yes or  No

If 'No,' please provide a signed lease agreement.

If the organization will conduct pull tab sales, raffles, non-cash prize wheels during this bingo session, note the beginning and ending times for each.

PULLTABS  
Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

RAFFLES  
Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

NON-CASH PRIZE WHEELS  
Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

(Attach additional sheets if necessary.)

12. Does your organization wish to sell pulltabs any other time than a bingo session?

Yes or  No

If yes, please indicate below:

Weekly  Bi-Weekly  Monthly  Quarterly  Annually  Semi-Annually  Other  \_\_\_\_\_

Day of the week/Date pulltabs will be sold: \_\_\_\_\_

Beginning Time: \_\_\_\_\_ am  pm  Ending Time: \_\_\_\_\_ am  pm

Location that pulltab sales will occur:

\_\_\_\_\_  
**Name of Building** (also include the commonly used name of the building) **FAC-**  
KY License Number

\_\_\_\_\_  
**Street Address**

\_\_\_\_\_  
**City** **State** **Zip Code**

\_\_\_\_\_  
**County** **Telephone** **Facility contact person at this location**

**Does the Organization own this facility?**  **Yes** or  **No**

If 'No,' please provide a signed lease agreement.

(Attach additional sheets if necessary.)

13. **Does your organization wish to conduct raffles any other time than a bingo session?**  
 **Yes** or  **No**

If yes, please indicate below:

**Weekly** **Bi-Weekly** **Monthly** **Quarterly** **Annually** **Semi-Annually** **Other** \_\_\_\_\_

**Day of the week/Date raffle drawing will occur:** \_\_\_\_\_

**Time of drawing:** \_\_\_\_\_ **am** **pm**

**Location that raffle drawing will occur:**

\_\_\_\_\_  
**Name of Building** (also include the commonly used name of the building) **FAC-**  
KY License Number

\_\_\_\_\_  
**Street Address**

\_\_\_\_\_  
**City** **State** **Zip Code**

\_\_\_\_\_  
**County** **Telephone** **Facility contact person at this location**

**Does the Organization own this facility?**  **Yes** or  **No**

If 'No,' please provide a signed lease agreement.

(Attach additional sheets if necessary.)

14. Does your organization wish to conduct non-cash prize wheels any other time than a bingo session?

Location that non-cash prize wheels will occur:

\_\_\_\_\_  
Name of Building (also include the commonly used name of the building) FAC-  
KY License Number

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State Zip Code

\_\_\_\_\_  
County Telephone Facility contact person at this location

Does the Organization own this facility?  Yes or  No

If 'No,' please provide a signed lease agreement.

(Attach additional sheets if necessary.)

15. Does your organization wish to conduct a charity fundraising event(s) or special limited charity fundraising event(s)?

Yes or  No

In order to conduct a charity fundraising event or special limited charity fundraising event, please complete form CG-Schedule-A as required by 820 KAR 1:055.

**CEO/CFO INFORMATION**

16.

**Chief Executive Officer**

This person is in charge of daily operations of the organization.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

**Home Mailing Address**

Street Address/PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Email Address: \_\_\_\_\_

**Home Physical Address**  
(If different from above)

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

**Chief Financial Officer**

This person is in charge of receipt and disbursement of funds of the organization.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

**Home Mailing Address**

Street Address/PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Email Address: \_\_\_\_\_

**Home Physical Address**  
(If different from above)

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

**NOTE: THE ABOVE-LISTED OFFICERS ARE SUBJECT TO A STATE AND FBI CRIMINAL HISTORY CHECK WHICH MAY REQUIRE FINGERPRINTING. IF NEEDED, ADDITIONAL INFORMATION WILL BE FORWARDED TO YOU.**

**PURSUANT TO KRS 238.535(9)(f), IN APPLYING FOR A LICENSE, THE INFORMATION TO BE SUBMITTED SHALL INCLUDE BUT NOT BE LIMITED TO THE NAMES, ADDRESSES, DATES OF BIRTH, AND SOCIAL SECURITY NUMBERS OF ALL OFFICERS OF THE ORGANIZATION.**

## OTHER OFFICER INFORMATION

17. Provide the following information for all other Officers not listed in *Question 16* above. All elected and appointed officers must be listed and the list must be in accordance with the organizational structure or *Bylaws*.

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

### Home Mailing Address

### Home Mailing Address

Street Address/PO Box \_\_\_\_\_

Street Address/PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Email Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

### Home Physical Address (If different from above)

### Home Physical Address (If different from above)

Street Address \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

17. (Continued)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

**Home Mailing Address**

**Home Mailing Address**

Street Address/PO Box \_\_\_\_\_

Street Address/PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Email Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Home Physical Address**  
(If different from above)

**Home Physical Address**  
(If different from above)

Street Address \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

(Attach additional sheets if necessary.)

## EMPLOYEES, MEMBERS, AND GAMING CHAIRPERSON INFORMATION

**NOTE: CHAIRPERSONS ARE SUBJECT TO A STATE AND/OR FBI CRIMINAL HISTORY CHECK WHICH MAY REQUIRE FINGERPRINTING. IF SO, ADDITIONAL INFORMATION WILL BE FORWARDED TO YOU.**

18. Provide the following information for all employees and members of the organization *who will be involved in the management and supervision of charitable gaming. You must designate at least two (2) of these people, other than the Chief Executive Officer of the organization, as chairpersons.* The gaming chairpersons must be a member, officer or employee as shown in the Bylaws of the organization. Please check the "chairperson" box for all employees or members who will be a chairperson.

Name: \_\_\_\_\_

Employee     Member     Chairperson

If **employee**, please provide the job title or position held and describe regular job duties:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

DOB

SSN

**Home Mailing Address**

Street Address/PO Box

City

State

County

Zip Code

Office Phone    Cell Phone    Home Phone

Email Address: \_\_\_\_\_

**Home Physical Address**  
(If different from above)

Street Address

City

State

County

Zip Code

Name: \_\_\_\_\_

Employee     Member     Chairperson

If **employee**, please provide the job title or position held and describe regular job duties:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

DOB

SSN

**Home Mailing Address**

Street Address/PO Box

City

State

County

Zip Code

Office Phone    Cell Phone    Home Phone

Email Address: \_\_\_\_\_

**Home Physical Address**  
(If different from above)

Street Address

City

State

County

Zip Code

18. (Continued)

Name: \_\_\_\_\_

Employee  Member  Chairperson

If **employee**, please provide the job title or position held and describe regular job duties:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

**Home Mailing Address**

Street Address/PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Email Address: \_\_\_\_\_

**Home Physical Address**  
(If different from above)

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Name: \_\_\_\_\_

Employee  Member  Chairperson

If **employee**, please provide the job title or position held and describe regular job duties:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

**Home Mailing Address**

Street Address/PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Office Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Email Address: \_\_\_\_\_

**Home Physical Address**  
(If different from above)

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

(Attach additional sheets, if necessary.)

**PURSUANT TO KRS 238.535(9)(g), IN APPLYING FOR A LICENSE, THE INFORMATION TO BE SUBMITTED SHALL INCLUDE BUT NOT BE LIMITED TO THE NAMES, ADDRESSES, DATES OF BIRTH, AND SOCIAL SECURITY NUMBERS OF ALL EMPLOYEES AND MEMBERS OF THE ORGANIZATION WHO WILL BE INVOLVED IN THE MANAGEMENT AND SUPERVISION OF CHARITABLE GAMING.**

## DISTRIBUTOR INFORMATION

19. List the licensed Distributors the organization will utilize for purchasing gaming supplies and equipment (pursuant to KRS 238.530).

\_\_\_\_\_  
Distributor Name

\_\_\_\_\_  
DIS -  
KY License Number

\_\_\_\_\_  
Distributor Name

\_\_\_\_\_  
DIS -  
KY License Number

\_\_\_\_\_  
Distributor Name

\_\_\_\_\_  
DIS -  
KY License Number

\_\_\_\_\_  
Distributor Name

\_\_\_\_\_  
DIS -  
KY License Number

**PURSUANT TO KRS 238.525(6), YOU MUST NOTIFY THE DEPARTMENT OF CHARITABLE GAMING, IN WRITING, OF ANY CHANGE IN THE INFORMATION PROVIDED IN THIS APPLICATION WITHIN THIRTY (30) DAYS OF THE DATE THE CHANGE OCCURRED.**

**CERTIFICATION (BY AN OFFICER)**

I certify, under penalty of perjury, that I am an Officer authorized by the applicant to make application for licensure and that I have examined this application for licensure, including any accompanying material, and all information submitted is, to the best of my knowledge and belief, true and correct. I further certify that the applicant agrees to comply with all applicable laws and administrative regulations regarding charitable gaming in the Commonwealth of Kentucky.

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Mail completed original application (including all required attachments), together with the \$25.00 processing fee made payable to "Kentucky State Treasurer" to:

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF CHARITABLE GAMING  
DIVISION OF LICENSING & COMPLIANCE  
132 BRIGHTON PARK BOULEVARD  
FRANKFORT, KY 40601**

If you need assistance completing this application, please call the Licensing Branch at (502) 573-5528 or Toll-free in Kentucky, (800) 729-5672.

Visit our website at: <http://www.dcg.ky.gov>

Checklist:

- Attached lease (if applicable)
- Enclosed \$25 processing fee
- All blanks are completed
- Enclosed evidence of tax-exempt status

**YOUR APPLICATION WILL NOT BE PROCESSED UNTIL ALL INFORMATION IS COMPLETE.**

# **APPENDIX B**

**Organization Grossing Under \$25,000  
Application for Exemption**

**A COMPLETE FORM MUST BE RECEIVED AT LEAST THIRTY (30) DAYS PRIOR TO THE INTENDED START OF YOUR GAMING.**

Complete this Form ONLY if the organization intends to play bingo, have a raffle, or a charity fundraising event (fair, festival, or carnival) and the gross receipts from gaming do not exceed \$25,000 in a calendar year. KRS 238.535(1). **DO NOT complete this form if the organization intends on having a Special Limited Charity Fundraising Event or playing pulltabs.**

**ORGANIZATION INFORMATION**

1. Organization name: \_\_\_\_\_
  
2. Organization address:  
Mailing address: \_\_\_\_\_  
Office Location (PO Box is not acceptable): \_\_\_\_\_  
City: \_\_\_\_\_ State/Zip Code: \_\_\_\_\_ County: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
E-mail address: \_\_\_\_\_
  
3. Does your organization have offices in any other county(ies)? Yes \_\_\_\_\_ No \_\_\_\_\_  
Mailing address: \_\_\_\_\_  
Office Location (PO Box is not acceptable): \_\_\_\_\_  
City: \_\_\_\_\_ State/Zip Code: \_\_\_\_\_ County: \_\_\_\_\_  
Telephone: \_\_\_\_\_



## CEO/CFO INFORMATION

4.

### Chief Executive Officer

### Chief Financial Officer

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

DOB \_\_\_\_\_ SSN \_\_\_\_\_

Mailing Address

Mailing Address

Home Street Address/PO Box

Home Street Address/PO Box

City \_\_\_\_\_ State \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Email address

Email address

Home Street Address  
(If different from above)

Home Street Address  
(If different from above)

Street

Street

City \_\_\_\_\_ State \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_ Zip Code \_\_\_\_\_

**PURSUANT TO KRS 238.535(9)(f), IN APPLYING FOR A LICENSE, THE INFORMATION TO BE SUBMITTED SHALL INCLUDE BUT NOT BE LIMITED TO THE NAMES, ADDRESSES, DATES OF BIRTH, AND SOCIAL SECURITY NUMBERS OF ALL OFFICERS.**

## GENERAL INFORMATION

5a. Has your organization ever been issued a charitable gaming license by the Department of Charitable Gaming?

Yes or  No

If "YES", what was the license number? ORG- \_\_\_\_\_

5b. Have you previously been issued an exemption acknowledgement?

Yes or  No

If "YES", what was the exemption number? EXE #: \_\_\_\_\_

6. Date the organization was established in the Commonwealth of Kentucky? If the organization has not been established and continuously operating in the Commonwealth of Kentucky for at least three (3) years, your organization is ineligible for a Charitable Gaming license until they have met that requirement.

Month: \_\_\_\_\_ Year: \_\_\_\_\_

7a. County where charitable gaming is to be conducted: \_\_\_\_\_

7b. Date the organization was established in the county where charitable gaming will be conducted?

Month: \_\_\_\_\_ Year: \_\_\_\_\_

7c. Has the applicant maintained an office or place of business, other than for the conduct of charitable gaming, for a minimum of one (1) year in the county where charitable gaming is to be conducted?

Yes or  No

8a. Has the applicant been granted tax-exempt status by the Internal Revenue Service?

Yes or  No

If "yes", please provide a copy of the federal 501(c) designation from the Internal Revenue Service.

8b. Is applicant organized within the Commonwealth of Kentucky as a common school as defined in KRS 158.030(1), as an institution of higher education as defined in KRS 164A.305, or as a state college or university as provided for in KRS 164.290? Pursuant to KRS 158.030, "Common school" means an elementary or secondary school of the state supported in whole or in part by public taxation. (NOTE: Does not include PTA, PTO or Boosters)

Yes or  No

***If you have answered 'No,' to both 8a and 8b above, your organization is currently ineligible for a Charitable Gaming License – DO NOT CONTINUE FURTHER WITH THIS APPLICATION.***

9. Applicant's federal employer tax identification number: \_\_\_\_\_

## ORGANIZATION REVENUES/EXPENDITURES

10a. Provide details below of how the organization made money. Please specify the dollar amounts and give a description of the project. Examples include: dues, grants, donations, fundraisers, sales, etc. Please do not provide lump sum figures. Provide this information for the last three (3) calendar years.

TYPE OF REVENUE	AMOUNT 1 YEAR PRIOR YEAR _____	AMOUNT 2 YEARS PRIOR YEAR _____	AMOUNT 3 YEARS PRIOR YEAR _____
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

10b. Provide details below of how the organization spent money toward its charitable purpose. Examples include: personnel expenses, mortgage or building payments, office equipment, supplies, utilities, scholarships, donations, etc. Please do not provide lump sum figures. Provide this information for the last three (3) calendar years.

TYPE OF REVENUE	AMOUNT 1 YEAR PRIOR YEAR _____	AMOUNT 2 YEARS PRIOR YEAR _____	AMOUNT 3 YEARS PRIOR YEAR _____
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

10c. Please give a brief description on how your organization furthered its charitable purpose during the previous year(s).

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## GAMING INFORMATION

11. **Type of Charitable games to be conducted:**

- Bingo                       Non-Cash wheel games (prize does not exceed \$100)  
 Raffle(s)                       Charity fundraising events

12a. **Expected frequency charitable gaming will be conducted:**

- Daily               Twice Weekly               Weekly               Monthly  
 Quarterly               Semi-annually               Annually               Other (describe) \_\_\_\_\_

12b. **Please list the location of the premises where charitable gaming activities will be conducted by your organization:**

Name of Building: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

County: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

12c. **Do you own the premises where the charitable gaming will be conducted?**

Yes    or     No

If "NO", please submit a copy of the signed lease agreement or statement of understanding between the organization and the owner of the premises listed in 12a.

13. **What are the projected annual gross receipts from the gaming activities you plan to conduct?**  
\$ \_\_\_\_\_

## DISTRIBUTOR INFORMATION

14. **Distributor(s) applicant will use for charitable gaming equipment or supplies (not required if only conducting raffles):**

Name: \_\_\_\_\_                      Name: \_\_\_\_\_

KY License Number: DIS - \_\_\_\_\_                      KY License Number: DIS - \_\_\_\_\_

**TO KEEP THE EXEMPTION IN EFFECT THE ORGANIZATION MUST FILE AN ANNUAL FINANCIAL DISCLOSURE BY DECEMBER 31<sup>ST</sup>. YOU MAY OBTAIN A FINANCIAL DISCLOSURE FROM THE WEBSITE, <http://www.dcg.ky.gov>.**

Pursuant to KRS 238.525(6), the organization shall notify the Department of Charitable Gaming, in writing, of any change in the information provided in response to questions 1-14 within thirty (30) days of the date the change occurred.

**CERTIFICATION**

I certify, under penalty of perjury, that I am an officer authorized by the organization to submit this notice of exemption from charitable gaming licensure requirements and that I have examined this notice of exemption, including accompanying materials, and all information submitted is, to the best of my knowledge and belief, true and correct. I further certify that the organization agrees to comply with all applicable laws and administrative regulations regarding charitable gaming in the Commonwealth of Kentucky.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Officer Title: \_\_\_\_\_

Date: \_\_\_\_\_

Mail completed CG-Exempt, (including all required attachments), to:

Public Protection Cabinet  
Department of Charitable Gaming  
Division of Licensing & Compliance  
132 Brighton Park Boulevard  
Frankfort, KY 40601

If you need assistance completing this form, please call the licensing branch at (502) 573-5528 or toll-free in Kentucky, (800) 729-5672.

Visit our website at:  
<http://www.dcg.ky.gov>

# APPENDIX C

Commonwealth of Kentucky  
Public Protection Cabinet  
DEPARTMENT OF CHARITABLE GAMING

## CHARITY FUNDRAISING EVENT OR SPECIAL LIMITED CHARITY FUNDRAISING EVENT LICENSE APPLICATION

When applying for more than one event, submit a separate CG-Schedule A for each event.

In order to qualify for a charity fundraising event license or special limited charity fundraising event license, the event must meet the qualifications of a "charity fundraising event". Pursuant to KRS 238.505(8), examples of activities include events that attract patrons for community, social, and entertainment purposes apart from charitable gaming, such as fairs, festivals, carnivals, licensed charitable gaming organization conventions, and bazaars.

### ORGANIZATION INFORMATION

1. Name of Charitable Organization: \_\_\_\_\_
2. License number: **ORG-**\_\_\_\_\_ Expiration date: \_\_\_\_\_

### EVENT INFORMATION

3a. Date(s) of Charity Fundraising Event:

	Date	Beginning time	Ending time
DAY 1	_____	_____ am <input type="checkbox"/> pm <input type="checkbox"/>	_____ am <input type="checkbox"/> pm <input type="checkbox"/>
DAY 2	_____	_____ am <input type="checkbox"/> pm <input type="checkbox"/>	_____ am <input type="checkbox"/> pm <input type="checkbox"/>
DAY 3	_____	_____ am <input type="checkbox"/> pm <input type="checkbox"/>	_____ am <input type="checkbox"/> pm <input type="checkbox"/>

(cannot exceed 72 hours in duration unless conducted at state, county, or city fair)

3b. Date of Special Limited Charity Fundraising Event:

Date	Beginning time	Ending time
_____	_____ am <input type="checkbox"/> pm <input type="checkbox"/>	_____ am <input type="checkbox"/> pm <input type="checkbox"/>

(must be between the hours of 12:00pm and 1:00am and cannot exceed 6 hours in duration)

4. Street address of location at which charitable gaming will be conducted:

Name of Building: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State, and Zip: \_\_\_\_\_  
County: \_\_\_\_\_

A copy of a signed lease agreement or statement of other understanding between the organization and the owner of the premises for this event **must** be submitted with this application.



5. Please state the official name of the event as it will be advertised.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Please describe all non-gaming activities to be conducted at this event. (An example would be carnival rides, fish fry, motivational speakers, craft booths, golf tournament, 5k race, etc.) A charity fundraising event or special limited charity fundraising event are activities which include events that attract patrons for community, social and entertainment purposes apart from charitable gaming.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Please list the approximate **NUMBER** of tables/booths for each game of chance to be conducted:

- |   |                                    |
|---|------------------------------------|
| # _____ Bingo (only count as 1)   | # _____ Blackjack                  |
| # _____ Horse Race Bingo  | # _____ Poker                      |
| # _____ Prerecorded Horse Racing  | # _____ Dice Games                 |
| # _____ Pulltabs (only count as 1)  | # _____ Roulette                   |
| # _____ Raffles   | # _____ Keno                       |
| # _____ Non-Cash Prize Wheel Games<br>(Prize value does not exceed \$100) | # _____ Baccarat                   |
| # _____ Duck Race   | # _____ Quarter Push               |
| # _____ Golf Ball Drop  | # _____ Money Wheels (Cash Prizes) |
| *Other: _____   | # _____ Texas Hold'em              |
|   | # _____ Horse Race by Roll of Dice |
|   | *Other: _____                      |

\*Brief description of "other" game listed above and explanation of how prizes are awarded:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Will any of the games listed on Question 7 be played as a Tournament? If so, please list below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### DISTRIBUTOR INFORMATION

9. Distributor(s) applicant will use to obtain charitable gaming equipment or supplies:

Name: \_\_\_\_\_  
KY license number: Dis- \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

Name: \_\_\_\_\_  
KY license number: Dis- \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

Name: \_\_\_\_\_  
KY license number: Dis- \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

Name: \_\_\_\_\_  
KY license number: Dis- \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

(Attach additional sheets, if necessary)

**A copy of the Written Agreement between the organization and the distributor must be submitted within thirty (30) days of the event if this is a Special Limited Charity Fundraising Event.**

**CERTIFICATION (BY AN OFFICER)**

I certify, under penalty of perjury, that I am an officer authorized by the applicant to make application for licensure and that I have examined this application for licensure, including accompanying materials, and all information submitted is, to the best of my knowledge and belief, true and correct. I further certify that the applicant agrees to comply with all applicable laws and administrative regulations regarding charitable gaming in the Commonwealth of Kentucky.

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Mail completed application (including all required attachments), together with the \$25.00 processing fee made payable to "Kentucky State Treasurer" to:

Commonwealth of Kentucky  
Public Protection Cabinet  
Department of Charitable Gaming  
Division of Licensing & Compliance  
132 Brighton Park Boulevard  
Frankfort, KY 40601

If you need any help completing this application, please call the Licensing branch at (502) 573-5528 or toll-free in Kentucky, (800) 729-5672.

Visit our website at:  
<http://www.dcg.ky.gov>

**\$25.00 PROCESSING FEE IS REQUIRED FOR EACH SCHEDULE A.**

# APPENDIX D

## LICENSED CHARITABLE ORGANIZATION FINANCIAL REPORT

**NOTE: QUARTERLY REPORTS ARE DUE APRIL 30TH, JULY 31ST, OCTOBER 31ST AND JANUARY 31ST  
 ANNUALLY REPORTS ARE DUE JANUARY 31ST - SEE KRS 238.550(7) & (8)**

License No. **ORG-** \_\_\_\_\_  
 Name of Organization \_\_\_\_\_  
 Mailing Address \_\_\_\_\_  
 City State Zip \_\_\_\_\_  
 County \_\_\_\_\_

<b>Select Type of Report (A or B)</b>
<b>A. Quarterly</b> 1 ___ 2 ___ 3 ___ 4 ___ Year _____
<b>B. Annually</b> ___ Year _____

### Summary of All Charitable Gaming Receipts & Payouts

**PART 1**

GAMING ACTIVITY	1.	GROSS RECEIPTS	2.	CASH PAYOUTS	3.	PURCHASED PRIZES	4.	ADJUSTED GROSS RECEIPTS
1. Bingo (From Attachment B)	1.		1.		1.		1.	
2. Pulltabs (From Attachment C & D)	2.		2.		2.		2.	
3. Raffles (From Attachment E)	3.		3.		3.		3.	
4. Non Cash Prize Wheels (From Att. E)	4.		4.	N/A	4.		4.	
5. Special License (From Attachment F)	5.		5.		5.		5.	
6. Returned Checks Collected	6.		6.	N/A	6.	N/A	6.	
7. Less: Returned Checks	7.		7.	N/A	7.	N/A	7.	
<b>TOTAL</b>	<b>8.</b>	<b>\$</b>	<b>8.</b>	<b>\$</b>	<b>8.</b>	<b>\$</b>	<b>8.</b>	<b>\$</b>

\$ \_\_\_\_\_ **FEE DUE = Total Gross Receipts x \_\_\_\_\_**

### 40% Calculation

Adjusted Gross Receipts (Transfers from Part 1 Line 8 Column 4)	\$ _____
Expenses (Transfers from Part 2 Line 15)	- _____
Total Net (Adjusted Gross Receipts Less Expenses)	= _____
 Total Net	 \$ _____
Adjusted Gross Receipts	+ _____
Percentage (Total Net divided by Adjusted Gross Receipts)	= _____ %

### SIGNATURE AND VERIFICATION

*Under penalty of perjury, I declare that I have examined this report, including any accompanying schedules and attachments, and to the best of my knowledge and belief it is a true, correct, and complete report.  
 Declaration of preparer (other than organization official) is based on all available information.*

### OFFICER OF ORGANIZATION MUST SIGN REPORT

CEO or CFO Print Name:	Title:	Date:
Signature: _____	Daytime Phone: _____	
Preparer Print Name:	Title:	Date:
Signature: _____	Daytime Phone: _____	

**Summary of All Charitable Gaming Expenses**

**PART 2**

**ATTACHMENT A EXPENSES USED IN THE 40% CALCULATION**

- 1. Gaming Supplies, Equipment, & Bingo Card Minding Device Rental or Purchase
- 2. Facility Rent
- 3. Janitorial Services
- 4. Security
- 5. Bookkeeping & Accounting Services
- 6. Advertising & Promotions
- 7. Bank, Credit Card, Check Verification, & Bad Check Collection Fees
- 8. Printing
- 9. Volunteer Food, Clothing & Raffle Sellers Incentive
- 10. Utilities (Telephone, Electric, Gas, Water, Sewer, Trash)
- 11. Insurance
- 12. DCG fines
- 13. Charitable Gaming Trade Organization Dues
- 14. Less Any Sales or Use Tax on Gaming Supplies and Equipment

**(ADD LINE 1 THROUGH 13 AND SUBTRACT LINE 14 AND PLACE TOTAL ON LINE 15)**

**TOTAL EXPENSES USED IN 40% CALCULATION**

**ATTACHMENT A EXPENSES NOT USED IN THE 40% CALCULATION**

- 16. Fees Paid To OCG
- 17. Purchased Prizes
- 18. Payment of Prizes Awarded by Check
- 19. Federal Excise Tax
- 20. Charitable Contributions
- 21. Transfers to General Account
- 22. Start-Up Cash
- 23. Prizes Purchased By Check

**(ADD LINE 16 THROUGH LINE 23 AND PLACE TOTAL ON LINE 24)**

**TOTAL (ADD LINE 15 AND LINE 24)**

	1.	
	2.	
	3.	
	4.	
	5.	
	6.	
	7.	
	8.	
	9.	
	10.	
	11.	
	12.	
	13.	
	14. ( )	
	15. \$	
	16.	
	17.	
	18.	
	19.	
	20.	
	21.	
	22.	
	23.	
	24. \$	
	25. \$	











License No. ORG- \_\_\_\_\_

Name of Organization: \_\_\_\_\_

### SPECIAL LICENSE ACTIVITY REPORT

DO NOT REPORT ON ATTACHMENT B, C, or D

INCLUDE BINGO, PULLTABS, RAFFLES & NON CASH PRIZE WHEELS COMPLETED AT EVENT

(Transfers to Part 1, Line 5 of CG-FIN)

Date of Event	Type of Event (CFE or SLCFE)	Expected Gross Receipts	Cash Payouts	Merchandise Purchase Price	Cash (Short)/Over	Donations Received From Patrons
1.		\$	\$	\$	\$	\$
2.		\$	\$	\$	\$	\$
3.		\$	\$	\$	\$	\$
4.		\$	\$	\$	\$	\$

<b>TOTAL</b>	\$	\$
--------------	----	----

Note: Donations are not included in Gross Receipt Calculations and are not Reported on the Front Page of the CG-FIN









# APPENDIX E

For Office Use Only:  
 Checked By: \_\_\_\_\_ Approved By: \_\_\_\_\_

Form CG-EFR  
 11/13

**ANNUAL FINANCIAL REPORT FOR EXEMPT ORGANIZATION**

*Note: Report is due on January 31*

Exemption No: **EXE-** \_\_\_\_\_

Report for Calendar Year: **20** \_\_\_\_\_

Name of Organization: \_\_\_\_\_

Address: \_\_\_\_\_  
Street City Zip Phone

**SECTION 1 - REPORT OF GAMING ACTIVITY**

Gaming Activity	Gross Receipts	Payouts	Net Receipts
Bingo	\$	\$	\$
Raffles	\$	\$	\$
Non-Cash Prize Wheels	\$	\$	\$
Festival Games	\$	\$	\$
<b>Total Gaming Activity</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**SECTION 2 - EXPENDITURE OF GAMING PROCEEDS**

On the lines listed below, provide an itemized accounting of how your organization spent the net receipts (profit) from the charitable gaming activities listed in Section 1. *(Note: Section 1 must Equal Section 2 Net Receipts)*

Amount	Description
\$	
\$	
\$	
\$	
\$	
\$	

**SECTION 3 - SIGNATURE and VERIFICATION**

As an OFFICER of the organization, I have examined this report and to the best of my knowledge and belief it is a true, correct and complete report. Declaration of PREPARER (other than organization office) is based on all available information.

CEO or CFO Print Name:	Title	Date
CEO or CFO Signature:		
Preparer Printed Name:	Title	Date
Preparer Signature:		

VISIT OUR WEBSITE AT  
<http://www.dcg.ky.gov/>

# APPENDIX G

# MY GOOD CHARITY

567 Charity Road  
My City, KY 44444  
ORG 0099999

Tuesday & Saturday 6:30 PM – 11:30 PM  
Doors Open at 5:00 PM

## Main Program Bingo Paper:

Main Pack\* (18 on 9 up) \$25.00  
Main Game Only - No Specials  
Promotional Item = 6 on 9 up = \$0.00

## Special Games:

Big "X" (4 on 1 up) \$2.00 each  
Pickle Jar\*\* \$1.00 per person

\*\*Bingo on PJ ball # and win the amount of the PJ. Winner must have PJ ticket for validation. PJ is carried over to next bingo session if not won. Due to the \$5000 bingo payout limit, the maximum payout is \$1000. Pickle Jar payout amount will be announced prior to Pickle Jar ball selection.

## Electronics (Computers):

72 Face- Main Program Only \$30.00

## My Good Charity Package Deal:

Main Pack (18 on 9 up)  
Big "X" \$26.00

## Main Program Based On Attendance

	<u>Less Than 125</u>	<u>125 or More</u>	<u>Actual Payout</u>
1. Regular Bingo	Christmas Wagon (\$50 value)	Christmas Wagon (\$50 value)	_____
2. Double Bingo	\$75.00	\$125.00	_____
3. Big "T"	\$75.00	\$125.00	_____
4. Postage Stamp (Pulltabs)	\$75.00	\$100.00	_____
5. Coverall	\$500.00	\$800.00	_____
	<b>I-n-t-e-r-m-i-s-s-i-o-n</b>		
6. Bonanza	\$200.00	\$200.00	_____
7. Kite	\$75.00	\$100.00	_____
8. Lucky "7"	\$75.00	\$100.00	_____
9. Big "X" <u>Yellow Border</u>	\$150.00	\$300.00	_____
10. 4 Corners & Stamp	\$1000.00	\$1500.00	_____

## HOUSE RULES

We follow all rules and regulations established by the Kentucky Office of Charitable Gaming. No one under 18 permitted in hall except volunteers. No splitting of packages. You must bingo on the last number called and get the attention of the caller or game operator. We are not responsible for missed bingos. When the caller has closed the game, it is final. No profanity and NO TIPPING. No alcoholic beverages allowed in hall.

# APPENDIX F

