



November 1, 2007

Charitable Gaming
Directive No. 6.03.01

Annual Charity Game Ticket License (Operation, Recordkeeping, and Depositing of Proceeds)

BACKGROUND

Charity Game Ticket Rule 608 states: “Annual and special charity games shall be operated in accordance with directives of the bureau.” The purpose of this directive is to establish uniform operating procedures for licensees who are selling charity game tickets at their location.

Section 7b (8) of Act 382 of the Public Acts of 1972, as amended, states: “The commissioner shall promulgate rules for the licensing, selling, and playing of, and financial record keeping for, charity games.”

Section 14 (1) of Act 382 of the Public Acts of 1972, as amended, states: “Each licensee shall keep a record of each event as required by the commissioner. The record and all financial accounts into which proceeds from events licensed under this act are deposited or transferred shall be open to inspection by a duly authorized representative of the bureau during reasonable business hours.”

Charity Game Ticket Rule 618 (3) states: “Game records pertaining to the sale of charity game tickets shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.”

Charity Game Ticket Rule 620 (8) states: “All monies derived from the conduct of an annual charity game ticket license shall be deposited into the licensee’s financial account at least once per week or as directed in writing by the bureau.”

START CASH

1. Start cash shall be a consistent amount on a weekly basis.
2. Start cash may only be replenished or increased by writing a check.

REDEMPTION

3. A worker shall check the series number on winning tickets.
4. A worker shall deface all winning tickets immediately (e.g., with a permanent marker, tearing a corner, etc.).

RECONCILIATION

5. At the end of each shift or at the close of business, all winning tickets and the remaining cash shall be locked in a secured location.
6. The licensee shall reconcile the winning tickets and start cash each day tickets are sold.
NOTE: The winning tickets plus the ending cash should equal the worker's beginning start cash.
7. Once the winning tickets are reconciled, destroy the tickets immediately (e.g., tearing them in half, shredding, placing tickets in a bucket of water, etc.).

REPORTING

8. An annual charity game ticket licensee shall be required to complete the Charity Game Ticket Accountability form. This may be a manually completed version of the bureau's current accountability form, the bureau's computerized version of the form, or the licensee's own accountability form, if the licensee has received prior written approval from the bureau to use the form.
9. A Charity Game Ticket Accountability form shall only include one (1) consecutive 7-day period. The licensee may choose the beginning day of the consecutive 7-day period.
10. The licensee shall conduct a complete physical inventory of all unsold tickets at the end of its consecutive 7-day period.
11. After a physical inventory has been taken of all unsold charity game tickets, enter the amount on the Charity Game Ticket Accountability form as the ending inventory.
NOTE: The ending inventory amount should be the same as the beginning inventory amount for the following week.
12. A Workers Service Record form must be completed on a daily basis for all workers.
13. The licensee must not split its weekly reporting period to accommodate the end of a quarter for purposes of filing a financial statement. The licensee shall use a full 13 weeks of records.

DEPOSIT

14. All annual charity game ticket proceeds shall be deposited at least once per week, and within 2 business days following the day the licensee takes a physical inventory and completes its records for the previous consecutive 7-day period.
NOTE: The proceeds deposited shall coincide with the time period of the records (e.g., if the records are completed on Tuesday morning, all monies collected up to that point shall be deposited by Thursday).
15. Charity game ticket proceeds shall not be deposited in or transferred to the Lottery Club Keno account.

PROHIBITIONS

16. A person shall not purchase or play charity game tickets at the location he or she manages or is employed. A person is considered an employee if receiving a W-2 from the licensee.
17. A licensee shall not allow any worker to use or provide any information about the status of a charity game while that game is in play that does, or potentially could, give a person an advantage over another person who does not have the same information.
18. A worker is prohibited from sharing in a prize, purchasing, playing or accepting as a gift, charity game tickets offered for sale by the licensee at any time during the day that he or she is working, assisting, or selling.

Signed copy available upon request

Thomas M. Weber, Acting Lottery Commissioner

Date