

Virginia Charitable Gaming Compliance Quick Reference Guide

Key Regulatory Highlights

- **Gaming Locations:** Permitted in social quarters or designated public spaces. Spaces must be contiguous, non-overlapping, and properly designated in applications.
- **Recordkeeping:** Must facilitate report completion, including detailed financial tracking.
- **New Amendments (Effective 7/1/24):**
 - Some social/recreational expenses may qualify as business expenses.
 - Real property rental related to certain purposes is now allowable.

Charitable Gaming Receipts & Expenditures

- **Accounts:** Proceeds from electronic gaming must be deposited into a dedicated account.
- **Distribution Requirements:**
 - At least 20% of electronic gaming adjusted gross receipts must go to lawful charitable purposes.
 - Expenditures categorized as:
 - **Reasonable Business Expenses:** Real estate taxes, legal fees, utilities, etc.
 - **Gaming Expenses:** Supplies, prizes, audit fees, security, etc.
 - **Charitable Use of Proceeds (UOP):** Internal disbursements (e.g., scholarships, events) and external donations.

Use of J.A.R. for Expenses

- **Justifiable:** Does it support gaming operations?
- **Articulable:** Can it be logically explained?
- **Reasonable:** Is the expense proportionate?

Financial Accountability

- **Procedures:** Must comply with regulations and ensure accurate recordkeeping.

- **Best Practices:**

- Two-person cash handling.
- Regular reconciliation and reviews.
- Segregated accounts and detailed ledgers.

Recordkeeping Requirements

- Maintain records for 3 years, including:
 - Bank statements, reconciliation forms, and IRS W-2G records for qualifying prizes.
 - Documentation of UOP disbursements (e.g., invoices, meeting minutes).
- Attach required financial summaries and bank deposit slips to reports.

Permit Renewal

- Submit applications 60 days before permit expiration.
- Complete forms in full; missing information resets review timelines.
- Attach required documentation like membership rules and space diagrams.

Tax-Exempt Compliance

- File Form 990 annually to maintain status.
- Failure to file for 3 consecutive years results in automatic revocation.
- Reinstatement requires retroactive filings and a user fee.

Reporting Requirements

- Submit quarterly reports for electronic gaming receipts and expenditures.
- Audit fees of 0.75% of adjusted gross receipts apply for electronic gaming.

Additional Notes

- Advertising for electronic gaming is prohibited.
- Organizations must ensure public benefit for all charitable distributions.

For further guidance or clarification, contact your compliance team or the Virginia Department of Agriculture and Consumer Services (VDACS).

GUIDE TO EXPENDITURES FROM ELECTRONIC GAMING BANK ACCOUNTS

All proceeds or “adjusted gross receipts” from electronic gaming must be deposited in the organization’s dedicated electronic gaming account.

- “Adjusted gross receipts” is the total money played minus the total prizes paid.

20% of the “adjusted gross receipts” realized each year must be used for defined “use of proceeds” (UOP) purposes by the end of that year.

- The 20% calculation is to be made prior to any payments to manufacturers/supplier.

Distributions and expenditures from the electronic gaming account must be made by check or electronic funds transfer (EFT) and are limited to the following five purposes:

1. UOP External Donations - donations made to schools, churches or other 501c3 non-profits.

2. UOP Internal Disbursements - disbursements for allowable educational, community, religious, or charitable purposes. These disbursements do not include external donations.

Examples of internal disbursements include:

- The organization providing scholarships to local high school students. It is critical that neither direct or indirect membership in the organization be included in the criteria to determine eligibility for scholarships. The organization must maintain documentation of how the scholarship was advertised to the community and the selection process.
- The expenses, above and beyond normal operating expenses, associated with the organization hosting events such as:
 - A veterans/seniors dinner.
 - A community blood drive.
 - A school supply drive.
 - A holiday event/party (Christmas party, Easter Egg Hunt, Thanksgiving dinner, Halloween party).

(Please note: these events must be open and free to the local community/public and the organization must maintain documentation showing this as well as how the event was advertised to the public.)

3. Payments to Manufacturers/Suppliers – disbursements to permitted manufacturers/suppliers for use of electronic gaming equipment are to be made from the organization’s electronic gaming account. Manufacturers/Suppliers are required to notify the Department of delinquent accounts.

4. All Other Gaming Expenses – any expenses that the organization incurs directly as a result of the organization conducting charitable gaming activities and that are not payable to a registered supplier or electronic device manufacturer. Examples include:

- Payment to security officers, registered game managers, and bingo callers.
- Gaming supplies (i.e., double row raffle tickets).

5. Reasonable and Proper Business Expenses – these expenses are defined by statute and regulation and include:

- Real estate and property taxes.
- Travel expenses associated with travel to national or regional convention.
- Payments of utilities and trash collection services. Utilities do not include cable tv services.
- Legal and accounting fees.
- Cost of business furniture, fixtures, and office equipment.
- Cost of acquisition, maintenance, repair, or construction of an organization's real property.
- Salaries and wages of employees whose primary responsibility is to provide services for the principal benefit of the organization's members.

IMPORTANT:

Organizations' total expenditures for each of these five categories must be reported on mandatory quarterly reports. It is therefore critical that organizations maintain accurate records of all distributions by category.

Organizations should implement controls/practices to ensure they will meet applicable UOP minimum disbursement requirements after payments to the manufacturer/distributor and before disbursing gaming funds for allowable business expenses.

Supporting documentation must be maintained for all disbursements of gaming funds to include, but is not limited to: invoices, thank you letters, board minutes, and request letters for aid or assistance. In most instances, simply maintaining a copy of a cancelled check is not sufficient supporting documentation.

The content and materials presented are strictly for informational purposes and are not to be construed as legal counsel. They serve solely as general information to help individuals and organizations understand potential impacts. Therefore, recipients are advised against taking action based on this information without consulting a licensed attorney to address their unique circumstances. Furthermore, this information does not serve as a replacement for seeking guidance from the Virginia Department of Agriculture and Consumer Services (VDACS), Office of Charitable and Regulatory Programs (OCRP).

GUIDE FOR VIRGINIA CHARITABLE GAMING PERMIT RENEWAL APPLICATION

Electronic Pull-Tabs in Social Quarters

Prior to starting the application process, ensure you have all information listed in Exhibit A and all documents listed in Exhibit B.

- 1) Charitable gaming permit renewal applications should be submitted no less than 60 days prior to the expiration date of your permit.
- 2) Verify your organization is registered and has an active status with the Virginia State Corporation Commission (VSCC).
 - *If you are unsure, you make check your organization's status at the State Corporation Commission Clerk's Information System website: <https://cis.scc.virginia.gov>.*
 - *Use the business entity search to search for your organization and its current status.*
 - If your organizations status is listed as "inactive", you may apply to reinstate your registration if it was active within the past 5 years, otherwise you must proceed as if you are creating a new business. Register using the name of your organization as it appears on your gaming permit.
- 2) Verify your IRS tax-exempt status has not been revoked. Automatic revocation occurs when an organization fails to file their required tax forms for three consecutive years.
 - *If you are unsure, you may check your organization's tax-exempt status at the IRS Tax Exempt Organization Search website: <https://apps.irs.gov/app/eos>.*
 - Enter your organization's EIN into the appropriate search field.
 - The search should result in your organization's information being displayed.
 - If your organizations tax-exempt status has been revoked, it will be listed as such and you will need to apply for reinstatement.
- 3) Verify your organization is registered with the Virginia Department of Agriculture and Consumer Services (VDACS), to solicit charitable contributions in the Commonwealth of Virginia pursuant to the Virginia Solicitation of Contributions law?
 - *If you are unsure, you may check whether or not your organization is registered at the VDACS, Office of Charitable and Regulatory Programs (OCRP) charitable organization database search website: https://cos.vdacs.virginia.gov/cgi-bin/char_search.cgi.*
 - If a search for your organization's name yields no results, you will have to register using the website prior to proceeding. Register using the name of your organization as it appears on your gaming permit.

4) To begin the online renewal application process for a Charitable Gaming Permit, go to the Virginia Department of Agriculture and Consumer Services (VDACS), Office of Charitable and Regulatory Programs (OCRP) licensing website:

<https://www.vdacs.virginia.gov/charitable-gaming-organization-licensing.shtml>.

- *Click on: “Renewal Permit Applicant - Charitable Gaming Application (pdf)”*
- *The application may be printed and completed by hand or completed within the PDF document and then printed.*
 - Using Microsoft Edge, information may be entered into the form by right clicking on the location you want to enter information and selecting “Add Text” from the drop-down menu.

5) Complete the renewal application in its entirety. Ensure that you answer every question on the application. If a question does not apply, enter “N/A.” (This is not necessary for questions which the application instructions direct you to skip over by instructing you to go to a certain question number nor for sections of the application that do not apply to your organization.)

- ***IMPORTANT:** A separate copy of page 13 of the application must be completed and submitted for each position listed and for every game manager.*

6) After you have completed the renewal application:

- *Ensure you have obtained all required signatures.*
- *Compile all required attachments and arrange them in the order listed in Exhibit B.*
 - It is recommended you create a listing of all attachments you’re submitting and place it on top of the required attachments for submission.
- *Draft a check for \$400 payable to: **Treasurer of Virginia.***
 - \$200 nonrefundable application fee plus \$200 for electronic gaming authorization.
- *Submit your application packet containing the completed application, the \$400 check and all required attachments via mail or in person to the following address: **VDACS, Office of Charitable and Regulatory Programs, P.O. Box 526, Richmond, Virginia 23218.***

For additional information or assistance in applying for a charitable gaming permit, contact the Office of Charitable and Regulatory Programs (OCRP) by phone at (804) 786-1343 or by email at: OCRPregulatory@vdacs.virginia.gov

EXHIBIT A
CHECKLIST OF REQUIRED INFORMATION FOR
APPLICATION FOR RENEWAL OF VIRGINIA CHARITABLE GAMING PERMIT

*IN ADDITION TO BASIC INFORMATION ABOUT YOUR ORGANIZATION, PLEASE ENSURE
YOU HAVE ALL OF THE FOLLOWING PRIOR TO STARTING THE ONLINE RENEWAL
APPLICATION PROCESS.*

- Your organization's Employer Identification Number (EIN).
- Total number of members.
- Total number of members who are Virginia Residents.
- Your organization's name as registered with the Virginia State Corporation Commission.
- Your organization's name as registered with the Department to solicit charitable contributions.
- Verify that no officer, director, or bingo/game manager who will participate in the management or operation of any charitable gaming activity has been convicted of any disqualifying offenses, or has any unauthorized ties to a licensed charitable gaming manufacturer or distributor.
- Information relating to the business or individual from whom your organization leases its facility, if applicable.
 - Landlord's corporate name, if applicable.*
 - Landlord's name.*
 - Landlords physical address, phone number, and fax number if applicable.*
- Names of all manufacturers and/or suppliers who have offered and/or sold electronic pull-tabs and paper instant bingo, seal cards and/or pull-tabs to your social organization, or who your organization anticipates obtaining them from.
- Number of electronic gaming devices that will be located within your social quarters.
- The individual responsible for filing your organization's financial reports.
 - Name.*
 - Relationship to organization. (E.g., President, Secretary, Treasurer, etc.)*
 - Physical address.*
 - Phone number. (and fax number, if applicable.)*
 - Email address.*
- Detailed description of how the funds derived from the organization's charitable gaming activities will be disbursed in accordance with those lawful religious, charitable, community or educational purposes.
- Personal information for your organization's:

- President, Commander, Chief Executive Officer, Governor, Exalted Ruler or equivalent position.*
- Treasurer, Chief Financial Officer, Financial Officer or equivalent position.*
- All game managers.*

The information must include:

- Full proper legal name.*
- Office/position title.*
- Dates their term begins and ends.*
- Social Security Number*
- Demographic information.*
- Physical home address.*
- Phone number(s)*
- Email address.*

(Note: A separate page 13 of the application must be completed for each person.)

The content and materials presented are strictly for informational purposes and are not to be construed as legal counsel. They serve solely as general information to help individuals and organizations. Therefore, recipients are advised against taking action based on this information without consulting a licensed attorney to address their unique circumstances. Furthermore, this information does not serve as a replacement for seeking guidance from the Virginia Department of Agriculture and Consumer Services (VDACS), Office of Charitable and Regulatory Programs (OCRP).

EXHIBIT B
CHECKLIST OF REQUIRED ATTACHMENTS TO
APPLICATION FOR RENEWAL OF VIRGINIA CHARITABLE GAMING PERMIT

- Document containing a list of officers, directors, or game managers who will be involved in the management and operation of charitable gaming activities. (*Question No. 5*)
 - *Include the name, address and membership date for each.*
 - *A separate page 13 of the renewal application MUST be completed for each individual listed.*
- Copies of your organization's three most recently filed Federal Returns (i.e., IRS Form 990, 990EZ, 990N, 990PF, 990T, etc.) (*Question No. 13*)
 - *If you do not have any of the above, attach a document providing an explanation.*
- Letter of good standing from the national and/or state organization, if your organization is part of, or related to, a national and/or state organization. (*Question No. 14*)
- Copy of any "house rules" your organization has adopted for charitable gaming activity. (*Question No. 22*)
- Copies of your organization's membership requirements and rules which govern a member's guests. (*Question No. 25a*)
- Document explaining how your organization controls access to your facility. (*Question No. 25b*)
- Copy of your organization's ABC license, if applicable. (*Question No. 25c*)
- Copy of your facility lease agreement, if applicable. (*Question No. 25c*)
- Copy of your placement agreement with Powerhouse VA. (*Question No. 25g*)

THE FOLLOWING ATTACHMENTS ARE REQUIRED ONLY IF THERE HAS BEEN A CHANGE SINCE THE PREVIOUS SUBMISSION:

- Copy of organization's articles of incorporation & bylaws. (*Question No. 6*)
- Copy of IRS Form 1024 Application for Recognition of Exemption. (*Question No. 10*)

(Question number references indicate to which question on the application the attachment applies.)

SAMPLE ELECTRONIC GAMING ACCOUNT LEDGER

ELECTRONIC GAMING ACCOUNT – 3 RD Quarter 2023														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	
DATE	TOTAL MACHINE CASH	FUNDS TO REPLENISH CASH ON HAND	NET DEPOSIT	PAYEE / EXPENDITURE DESCRIPTION	CHECK NO.	PH VA INVOICE PAYMENT (37)	GAMING EXPENSES (38)	BUSINESS EXPENSES (41)	INTERNAL CHARITABLE DIST. (39a)	EXTERNAL CHARITABLE DONATIONS (39b)	TRANSFERS TO RESTRICTED ACCOUNT (39c)	ACCOUNT BALANCE	UOP	
07/01/23				(Beginning Balance)								5,000.00	1,000.00	
07/15/23	4,723.50	1,357.00	3,366.50	(Deposit)								8,366.50	1,673.30	
07/17/23				Powerhouse Invoice	EFT	1,653.00						6,683.25	1,673.30	
07/20/23				First Energy / Electric bill	423			425.00				6,258.25	1,673.30	
07/23/23	3,580.00	2,225.00	1,355.00	(Deposit)								7,613.25	1,944.30	
07/24/23				Feed VA / Food Pantry Donation	424					1,000.00		6,613.25	944.30	
07/24/23				Powerhouse Invoice	EFT	524.00						6,089.25	944.30	
07/26/23				ABC, LLC / Rent Payment			3,200.00					2,889.25	944.30	
07/30/23	4,255.00	3,165.00	1,090.00	(Deposit)								3,979.25	1,162.30	
07/31/23				Powerhouse Invoice	EFT	823.00						3,156.25	1,162.30	
08/03/23				Joy's Catering / Veteran's Dinner	425				1,846.98			1,309.27	(684.68)	
08/03/23				Transfer to Scholarship Fund	EFT						500.00	809.27	(1,184.68)	
08/06/23	6,345.00	2,343.00	4,002.00	(Deposit)								4,811.27	(384.28)	
TOTALS	12,558.50	6,747.00	5,811.50			3,000.00	3,200.00	425.00	1,846.98	1,000.00	500.00			

- Consider separate columns for payee and description.

**VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF CHARITABLE AND REGULATORY PROGRAMS
INSTANT BINGO/SEAL CARDS/PULL-TABS RECONCILIATION FORM (NON-BINGO)**

FORM 111

ORGANIZATION: _____

DATE: _____

I certify this form is complete and accurate to the best of my knowledge.

Signature of Cashier

Signature of Game Manager

Column:	A	B	C	D	E	F	G	H				
Beginning inventory of opened deals carried forward from the previous session												
Line							Take In	Payout				
1.	Totals from the previous session's Form 111 (Line 20, Column G and H)											
Deals opened during session												
Line	Serial #	Deal Name	Form #	Ticket Price	# of Tickets	# of Free Tkt	Take In	Payout				
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.	Totals from Form 111-A (Line 22, Column G and H of Page 1)											
11.							Total Lines 1 through 10					
12.	Total of the prizes added to the instant progressive pot amount from deals opened during this session											
Ending inventory of opened deals to be carried forward to the next session												
Line	Serial #	Deal Name	Form #	Ticket Price	# of Tickets	# of Free Tkt	Remaining Take In	Remaining Payout				
13.												
14.												
15.												
16.												
17.												
18.												
19.	Totals from Form 111-B (Line 22, Column G and H of Page 1)											
20.							Total Lines 13 through 19					
21.	Total of the instant progressive pot paid by check or cash											
Instant Progressive Pot												
<ul style="list-style-type: none"> - Beginning Balance (previous day's carry over balance) - Additions (from Line 12, column H above) = Payouts (from Line 21 column H above) = Carry Over Balance 												
Totals For The Session												
Line 11-20 (Line 22, Column G)												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">TOTAL TAKE IN (TOTAL GROSS RECEIPTS)</td> <td style="width: 50%;">TOTAL PAYOUT</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>									TOTAL TAKE IN (TOTAL GROSS RECEIPTS)	TOTAL PAYOUT		
TOTAL TAKE IN (TOTAL GROSS RECEIPTS)	TOTAL PAYOUT											
22.												

Cash Reconciled	
1.	Beginning Change Fund
2.	
3.	Prizes Paid By Check
4.	
5.	Total Take In (from Line 22, Column G)
6.	
7.	Total Pay Out (from Line 22, Column H)
8.	
9.	Total Cash To Account For (Lines 23 + 24 + 25 - 26)
10.	
11.	Cash on Hand
12.	
13.	Overage/(Shortage) Overage, if Line 28 is greater than Line 27. Shortage, if Line 27 is greater than Line 28. (Attach a brief explanation for variances equal or greater than \$50 to this form)
14.	
15.	Amount Withheld For Change Fund
16.	
17.	Deposit To Bank (Line 28 - 30)
18.	
19.	
20.	
21.	Attach bank validated deposit slip to this form
22.	

Line 11 - 12 - 20 + 21
(Line 22, Column H)

**The use of handwritten documentation during the day that would assist in the completion of this form will need to be kept as part of the organization's gaming records. **

VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF CHARITABLE AND REGULATORY PROGRAMS
INSTANT BINGO/SEAL CARDS/PULL-TABS RECONCILIATION FORM
(NON-BINGO)

INSTRUCTIONS

When To Use: Use this particular form during a social quarter's session or a specific day of the single event, which is part of an annual fundraising event by an athletic association or booster club or a band booster club in which it is necessary to record all of the sales of instant bingo/seal cards/pull-tabs. If additional forms are necessary to record all of these particular sales, then please use the instant bingo/seal cards/pull-tabs reconciliation continuation form (non-bingo) (Form 111-A or Form 111-B) to do so.

The use of handwritten documentation during the day that would assist in the completion of this form will need to be kept as part of the organization's gaming records.

Organization: Fill in the official name of the organization.

Date: Fill in the date for the social quarter's session or a specific day of the single event.

Signature of Cashier: Cashier must sign this completed form at the end of the day.

Signature of Game Manager: Game Manager must sign this completed form.

BEGINNING INVENTORY OF OPENED DEALS CARRIED FORWARD FROM THE PREVIOUS DAY

Line 1 Enter the totals from Line 20, Column G (Remaining Take In) and Column H (Remaining Payout) from the previous instant bingo/seal cards/pull-tabs reconciliation form (non-bingo) (Form 111).

DEALS OPENED DURING THE SESSION

Lines 2 through 9 Enter the following information for each deal that is opened during the session. Remember, the information necessary to complete this form is located on the deal's flare.

A flare is a piece of paper/cardboard that is attached to an instant bingo/seal card deal/pull-tab that has the following printed information: game name, form number, serial number, card count, ticket price, free ticket count, amount of cash taken in, and the amount of prizes paid out.

Column A	<i>Serial #</i>	Enter the deal's serial number.
Column B	<i>Deal Name</i>	Enter the deal's name.
Column C	<i>Form #</i>	Enter the deal's form number.
Column D	<i>Ticket Price</i>	Enter the selling price for each ticket in the deal.
Column E	<i># of Tickets</i>	Enter the number of tickets in the deal.
Column F	<i># of Free Tickets</i>	Enter the number of free tickets in the deal.
Column G	<i>Take In</i>	Enter the deal's expected gross receipts.
Column H	<i>Payout</i>	Enter the deal's expected gross cash payout.

Line 10 Enter the totals from Line 22, Column G (Take In) and Column H (Payout) from Page 1 of the instant bingo/seal cards/pull-tabs reconciliation continuation form (non-bingo) (Form 111-A).

Line 11	Complete the following calculations:	
Column G	<i>Take In</i>	Add Lines 1 through 10 of Column G (Take In) and enter the figure.
Column H	<i>Payout</i>	Add Lines 1 through 10 of Column H (Payout) and enter the figure.
Line 12	Enter the total amount of prizes being added to the instant progressive pot for this session.	

ENDING INVENTORY OF OPENED DEALS TO BE CARRIED FORWARD TO THE NEXT SESSION

Lines 13 through 18 Enter the following information for each deal that is opened during the session and carried forward to the next day. Remember, the information necessary to complete this form is located on the deal's flare.

Column A	<i>Serial #</i>	Enter the deal's serial number.
Column B	<i>Deal Name</i>	Enter the deal's name.
Column C	<i>Form #</i>	Enter the deal's form number.
Column D	<i>Ticket Price</i>	Enter the selling price for each ticket in the deal.
Column E	<i># of Tickets</i>	Enter the number of remaining tickets in the deal.
Column F	<i># of Free Tickets</i>	Enter the number of remaining free tickets in the deal.
Column G	<i>Remaining Take In</i>	Enter the deal's remaining gross receipts.
Column H	<i>Remaining Payout</i>	Enter the deal's remaining gross cash payout.

Line 19 Enter the totals from Line 22, Column G (Take In) and Column H (Payout) from Page 1 of the instant bingo/seal cards/pull-tabs reconciliation continuation form (non-bingo) (Form 111-B).

Line 20 Complete the following calculations:

Column G	<i>Remaining Take In</i>	Add Lines 13 through 19 of Column G (Remaining Take-In) and enter the figure.
Column H	<i>Remaining Payout</i>	Add Lines 13 through 19 of Column H (Remaining Payout) and enter the figure.

Line 21 Enter the total amount of prizes awarded from the instant progressive pot for this day.

TOTALS FOR THE SESSION

Line 22 Complete the following calculations:

Column G	<i>Total Take In (Total Gross Receipts)</i>	Enter the difference between Line 11 minus Line 20 of Column G (Line 11 – Line 20)
Column H	<i>Total Payout</i>	Enter the difference between Line 11 minus Line 12 minus Line 20 plus Line 21 of Column H (Line 11 – Line 12 – Line 20 + Line 21)

CASH RECONCILED

Line 23 Enter the total amount of the beginning instant bingo/seal card/pull-tab change fund.

Line 24 Enter the total amount of prizes paid by check for instant bingo/seal card/pull-tab.

Line 25 Enter the total amount of sales generated from Line 22, Column G (Total Take In – Total Gross Receipts).

Line 26 Enter the total amount of prizes awarded from Line 22, Column H (Total Payout).

Line 27 Add Line 23 plus Line 24 plus Line 25 minus Line 26 and enter the figure.
(Line 23 + Line 24 + Line 25 – Line 26)

Line 28 Enter the total amount of the cash on hand from the sale of instant bingo/seal card/pull-tab.

Line 29 Complete the following line by using one of two following methods:
1) Enter the overage figure if Line 28 is greater than Line 27.
2) Enter the shortage figure if Line 27 is greater than Line 28.

Line 30 Enter the total amount of cash that is withheld for the next session.

Line 31 Enter the difference from Line 28 minus Line 30 (Line 28 – Line 30):
Please remember to attach the bank validated deposit slip to this form.

INSTANT PROGRESSIVE POT

- Use this particular box to track the instant progressive prizes being carried over from day to day.

**VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF CHARITABLE AND REGULATORY PROGRAMS**

FORM 111-A

INSTANT BINGO/SEAL CARDS/PULL-TABS RECONCILIATION CONTINUATION FORM (NON-BINGO)

ORGANIZATION: _____ **DATE:** _____ **PAGE #:** _____

Column:	A	B	C	D	E	F	G	H
Deals opened during the session								
Line	Serial #	Deal Name	Form #	Ticket Price	# of Tickets	# of Free Tkts	Take In	Payout
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								
21.	Totals from Form 111-A, Page 2 (Line 22, Column G and H)							
22.	Total Lines 1 through 21							
								22.

The use of handwritten documentation during the session that would assist in the completion of this form will need to be kept as part of the organization's gaming records.

VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF CHARITABLE AND REGULATORY PROGRAMS
INSTANT BINGO/SEAL CARDS/PULL-TABS RECONCILIATION CONTINUATION FORM
(NON-BINGO)

INSTRUCTIONS

When To Use: Use this particular form during a social quarters session or a specific day of the single event, which is part of an annual fundraising event by an athletic association or booster club or a band booster club in which it is necessary to continue the recording of instant bingo/seal card/pull-tab sales from the instant bingo/seal cards/pull-tabs reconciliation form (non-bingo) (Form 111).

The use of handwritten documentation during the session that would assist in the completion of this form will need to be kept as part of the organization's gaming records.

Organization: Fill in the official name of the organization.

Date: Fill in the date for a specific day of the single event.

Page Number (#): Fill in the page number.

DEALS OPENED DURING THE SESSION

Lines 1 through 20 Enter the following information for each deal that is opened during the session. Remember, the information necessary to complete this form is located on the deal's flare.

A flare is a piece of paper/cardboard that is attached to an instant bingo/seal card/pull- tab deal that has the following printed information: game name, form number, serial number, card count, ticket price, free ticket count, amount of cash taken in and the amount of prizes paid out.

Column A *Serial Number (#)* Enter the serial number of the instant bingo/seal card/pull- tab deal.

Column B *Deal Name* Enter the name of the instant bingo/seal card/pull- tab deal.

Column C *Form Number (#)* Enter the form number of the instant bingo/seal card/pull- tab deal.

Column D *Ticket Price* Enter the selling price for each ticket in the instant bingo/seal card/pull-tab deal.

Column E *Number (#) of Tickets* Enter the number of tickets in the instant bingo/seal card/pull- tab deal.

Column F *Number (#) of Free Tickets* Enter the number of free tickets in the instant bingo/seal card/pull-tab deal.

Column G *Take In* Enter the expected gross receipts for the instant bingo/seal card/pull-tab deal.

Column H *Payout* Enter the expected gross cash payout for the instant bingo/seal card/pull-tab deal.

Line 21 On Page 1, enter the totals on Line 22, Column G (Take In) and Column H (Payout) from Page 2.

On Page 2, enter the totals from Line 21, Column G (Take In) and Column H (Payout) on Page 3.

On Page 3, add Lines 1 through 20 of Column G (Take In) and Column H (Payout)

Line 22 Complete the following calculations:

Column G *Take In* Add Lines 1 through 21 of Column G (Take In) and enter the figure.

Column H *Payout* Add Lines 1 through 21 of Column H (Payout) and enter the figure.

VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

FORM 111-B

OFFICE OF CHARITABLE AND REGULATORY PROGRAMS

INSTANT BINGO/SEAL CARDS/PULL-TABS RECONCILIATION CONTINUATION FORM (NON-BINGO)

ORGANIZATION: _____ DATE: _____ PAGE #: _____

Column:	A	B	C	D	E	F	G	H
Ending inventory of opened deals to be carried forward to the next session								
Line	Serial #	Deal Name	Form #	Ticket Price	# of Tickets	# of Free Tkts	Remaining Take In	Remaining Payout
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								
21.	Totals from Form 111-B, Page 2 (Line 22, Column G and H)							
22.	Total Lines 1 through 21							

The use of handwritten documentation during the session that would assist in the completion of this form will need to be kept as part of the organization's gaming records.

VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF CHARITABLE AND REGULATORY PROGRAMS
INSTANT BINGO/SEAL CARDS/PULL-TABS RECONCILIATION CONTINUATION FORM (NON-BINGO)

INSTRUCTIONS

When To Use: Use this particular form during a social quarters session or a specific day of the single event, which is part of an annual fundraising event by an athletic association or booster club or a band booster club in which it is necessary to continue the recording of carry-over instant bingo/seal card/pull-tab deals from the instant bingo/seal cards/pull-tabs reconciliation form (non-bingo) (Form 111).
The use of handwritten documentation during the session that would assist in the completion of this form will need to be kept as part of the organization's gaming records.

Organization: Fill in the official name of the organization.

Date: Fill in the date for a specific day of the single event.

Page Number (#): Fill in the page number.

DEALS OPENED DURING THE SESSION

Lines 1 through 20 Enter the following information for each deal that is still open at the conclusion of the session. Remember, the information necessary to complete this form is located on the deal's flare.

A flare is a piece of paper/cardboard that is attached to an instant bingo/seal card/pull- tab deal that has the following printed information: game name, form number, serial number, card count, ticket price, and free ticket count.

The remaining take in and remaining payout is calculated by reducing the take in and prizes listed on the flare by the amount of tickets sold and prizes paid for that deal thus far.

Column A	<i>Serial Number (#)</i>	Enter the serial number of the instant bingo/seal card/pull-tab deal.
Column B	<i>Deal Name</i>	Enter the name of the instant bingo/seal card/pull- tab deal.
Column C	<i>Form Number (#)</i>	Enter the form number of the instant bingo/seal card/pull-tab deal.
Column D	<i>Ticket Price</i>	Enter the selling price for each ticket in the instant bingo/seal card/pull-tab deal.
Column E	<i>Number (#) of Tickets</i>	Enter the number of tickets in the instant bingo/seal card/pull-tab deal.
Column F	<i>Number (#) of Free Tickets</i>	Enter the number of free tickets in the instant bingo/seal card/pull-tab deal.
Column G	<i>Remaining Take In</i>	Enter the expected remaining gross receipts for the instant bingo/seal card/pull-tab deal.
Column H	<i>Remaining Payout</i>	Enter the expected remaining gross cash payout for the instant bingo/seal card/pull-tab deal.

Line 21 On Page 1, enter the totals on Line 22, Column G (Remaining Take In) and Column H (Remaining Payout) from Page 2.

On Page 2, enter the totals from Line 21, Column G (Remaining Take In) and Column H (Remaining Payout) on Page 3.

On Page 3, add Lines 1 through 20 of Column G (Remaining Take In) and Column H (Remaining Payout).

Line 22

Complete the following calculations:

Column G *Take In*

Add Lines 1 through 21 of Column G (Remaining Take In) and enter the figure.

Column H *Payout*

Add Lines 1 through 21 of Column H (Remaining Payout) and enter the figure.

VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF CHARITABLE AND REGULATORY PROGRAMS
ELECTRONIC GAMING/PULL-TAB DEPOSIT RECONCILIATION

ORGANIZATION: _____ SESSION DATE(S): _____

The Game Manager must complete and sign this form at the time of reconciliation of the electronic gaming/pull-tab session(s). I certify this form is complete and accurate to the best of my knowledge.

Date Signed: _____

Printed Name: _____ Signature: _____
 Game Manager Game Manager

BEGINNING CASH ON HAND: (Include all Cash on Hand for Electronic Gaming/Pull-Tabs)

1. a. Beginning Amount in Kiosk _____
 b. Beginning Amount in Cash Bags/POS Registers _____
 c. All Other Cash on Hand (safe/drawers/any other location) _____
 d. **Total Beginning Cash on Hand** _____
 (Lines 1a thru 1c) _____
2. Bank Withdrawals to Replenish Cash on Hand During Session _____

RECEIPTS: (This information can be obtained directly from your manufacturer invoice report or online portal. Records obtained to complete this form should be attached.)

3. Expected Profit for the Session:

Manufacturer	Tickets Played \$	Prizes Paid \$	Net Profit
a.			
b.			
c.			
d.			
e.			

- f. Total Net Profit for Session _____
 (Add Net Profit lines 3a thru 3e) _____
4. Prizes Paid by Check _____

CASH RECONCILED: (Attach machine receipt tickets and any Kiosk load summary reports to this session's paperwork)

5. Total Cash To Account For _____
 (Line 1d + 2 + 3f + 4)
6. Total Cash On Hand (Count all money on hand including kiosks, cash bags, money pulled from the electronic devices, or any other cash on hand for electronic gaming/pull-tabs) _____

Two members of the organization must verify the count of the total cash on hand on Line 6 and initial below at the conclusion of the session below.

Member's Name	Member's Initials	Cash Count

7. Amount Withheld For Change Fund for Next Session

a. Ending Amount in Kiosk _____

b. Ending Amount in Cash Bags/POS Registers _____

c. Ending All Other Cash on Hand (safe/drawers/any other location) _____

d. Total Withheld as Change Fund for Next Session _____
(Lines 7a thru 7c)

8. Deposit To Bank _____
(Line 6 - Line 7d)

(Attach bank validated deposit slip to this form)

OVERAGE/SHORTAGE:

9. Overage/Shortage _____
Shortage if Line 5 is greater than Line 6.
Overage if Line 6 is greater than Line 5.

(Attach a brief explanation for variances equal or greater than \$50 to this form)

Kiosk summary reports, gaming machines receipts and any other documentation maintained during the session(s) and that was used to assist in the completion of this form will need to be kept as part of the organization's gaming records.

VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF CHARITABLE AND REGULATORY PROGRAMS
ELECTRONIC GAMING/PULL-TAB DEPOSIT RECONCILIATION

INSTRUCTIONS

When To Use: Use this form to record gaming activity that occurred during an electronic gaming/pull-tab session. This form should be completed each time you make a deposit of electronic gaming/pull-tab receipts. This must be done at least once per 7 calendar days.

Kiosk summary reports, gaming machines receipts and any other documentation maintained during the session(s) and that was used to assist in the completion of this form will need to be maintained with the organization's charitable gaming records.

Session Date: Fill in the date(s) of the session(s).

Organization: Fill in the official name of the organization.

Printed Name & Signature The Game Manager must complete, sign and date this form once this reconciliation is completed and has been reviewed for accuracy.

BEGINNING CASH ON HAND:			
Line 1	Line 1a	Beginning Amount in Kiosk	Enter the total amount of cash for electronic gaming/pull-tabs in the organization's Kiosk(s) at the start of the session. <i>(This should match the ending cash on hand amount on Line 7a from the previous session.)</i>
	Line 1b	Beginning Amount in Cash Bags/POS Registers	Enter the total amount of cash for electronic gaming/pull-tabs in the organization's cash bags or POS registers. <i>(This should match the ending cash on hand amount on Line 7b from the previous session)</i>
	Line 1c	All Other Cash on Hand (safe/drawers/any other location)	Enter the total amount of all other cash on hand for electronic gaming/pull-tabs that are in the safe, drawers, offices, or any other location. <i>(This should match the ending cash on hand amount on Line 7c from the previous session)</i>
Line 2	Bank Withdrawals to Replenish Cash on Hand During Session		Enter the total amount of cashed checks or bank withdrawals during the session to replenish electronic gaming/pull-tab cash on hand. Please note these withdrawals must come from the organization's electronic gaming/pull-tab account.
RECEIPTS:			
Line 3	Expected Profit for Session		
	Line 3a thru 3e	Input each manufacturer's name, total value of tickets played, total value of prizes paid and the net profit (ticket sales minus prizes). This information can be obtained from manufacturer weekly invoices, electronic device internal reports, online portals set up by certain manufacturers or directly from the manufacturer.	
	Line 3f	Total Net Profit for Session	Total the Net Profit column from lines 3a thru 3e.
Line 4	Prizes Paid by Check	Enter the total amount of prizes paid by check for electronic gaming/pull-tabs for the session(s) being reconciled.	

CASH RECONCILED:

Line 5	Total Cash to Account For	Add Lines 1d + 2 + 3f + 4 <i>(This represents the total amount of cash the organization should expect to have on hand at the conclusion of the session(s) reconciled.)</i>	
Line 6	Total Cash on Hand	Enter the total amount of cash that is on hand at the end of the last electronic gaming/pull-tab session(s) being reconciled. Be sure to include <u>all</u> cash on hand including kiosks, cash bags, registers, money pulled from the electronic devices, or <u>any</u> other cash on hand for electronic gaming/pull-tabs. <i>(A physical count of all cash available is required to compare the actual cash on hand to Line 5-Total Cash to Account For.)</i>	
	Member Verification of Count	Two members of the organization must be present to conduct a cash count and verify the amount of all electronic gaming/pull-tab funds listed on Line 6- Total Cash on Hand. Each member must provide their name, initial the form and enter the amount of on hand counted.	
Line 7	Amount Withheld for Change Fund for Next Session		
	Line 7a	Ending Amount in Kiosk	Enter the amount from Line 6 that the organization is electing to keep as Ending Cash on Hand in the organization's Kiosk(s) for electronic gaming/pull-tabs
	Line 7b	Ending Amount in Cash Bags/POS Registers	Enter the amount from Line 6 that the organization is electing to keep as Ending Cash on Hand in the organization's cash bags or POS registers for electronic gaming/pull-tabs.
	Line 7c	Ending All Other Cash on Hand (safe/drawers/any other location)	Enter the amount from Line 6 that the organization is electing to keep as Ending Cash on Hand in the organization's safe, drawers, offices, or <u>any</u> other location for electronic gaming/pull-tabs.
	Line 7d	Total Withheld as Change Fund for Next Session	Total Lines 7a thru 7c.
Line 8	Deposit to Bank	Line 6 – Line 7d The organization must attach a deposit slip to this form to verify the deposit amount.	

OVERAGE/SHORTAGE:

Line 9	Overage/Shortage	Complete one of the following: 1. Enter the (shortage) if Line 5 is greater than Line 6. 2. Enter the overage if Line 6 is greater than Line 5. Attach an explanation for any variances greater than or equal to \$50 to the form.
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VIRGINIA CHARITABLE GAMING USE OF PROCEEDS

RELEVANT EXCERPTS FROM STATUTE AND REGULATIONS

§ 18.2-340.16. Definitions.

"Charitable gaming supplies" includes bingo cards or sheets, devices for selecting bingo numbers, instant bingo cards, pull-tab cards and seal cards, playing cards for Texas Hold'em poker, poker chips, and any other equipment or product manufactured for or intended to be used in the conduct of charitable games. However, for the purposes of this article, charitable gaming supplies shall not include items incidental to the conduct of charitable gaming such as markers, wands, or tape.

"Electronic gaming adjusted gross receipts" means the gross receipts derived from electronic gaming less the total amount in prize money paid out to players.

"Gaming expenses" means prizes, supplies, costs of publicizing gaming activities; audit and administration or permit fees; a portion of the rent, utilities, accounting and legal fees; and such other reasonable and proper expenses as are directly incurred for the conduct of charitable gaming.

"Reasonable and proper business expenses" means business expenses actually incurred by a qualified organization in the conduct of charitable gaming and not otherwise allowed under this article or under Department regulations on real estate and personal property tax payments, travel expenses, payments of utilities and trash collection services, legal and accounting fees, costs of business furniture, fixtures and office equipment and costs of acquisition, maintenance, repair, or construction of an organization's real property. For the purpose of this definition, (i) salaries and wages of employees whose primary responsibility is to provide services for the principal benefit of an organization's members or (ii) *'expenses for social or recreational activities for the principal benefit of a social organization's members may qualify as a business expense, if so determined by the Department.* However, payments made pursuant to § 51.1-1204 to the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund shall be deemed a reasonable and proper business expense.

¹ Effective 7/1/24

§ 18.2-340.33. Prohibited practices.

In addition to those other practices prohibited by this article, the following acts or practices are prohibited:

1. No part of the gross receipts or electronic gaming adjusted gross receipts derived by a qualified organization may be used for any purpose other than: (i) gaming expenses; (ii) reasonable and proper business expenses; and (iii) those lawful religious, charitable, community, or educational **purposes for which the organization is specifically chartered or organized.**

11VAC20-20-10. Definitions.

"Electronic gaming adjusted gross receipts" means the gross receipts derived from electronic gaming less the total amount in prize money paid out to players.

"Use of proceeds" means the use of funds derived by an organization from its charitable gaming activities, which are disbursed for those lawful religious, charitable, community, or educational purposes.

11VAC20-20-20. Eligibility for permit to conduct charitable gaming; when valid; permit requirements.

- D. In accordance with § 18.2-340.19 A 1 of the Code of Virginia, as a condition of receiving a charitable gaming permit or authorization to conduct electronic gaming, an organization shall use a minimum

percentage of its charitable gaming receipts for those lawful religious, charitable, community, or educational purposes for which the organization is specifically chartered or organized as follows:

1. For all charitable gaming other than electronic gaming, the minimum percentage shall be **10% of its gross receipts**.
2. For electronic gaming, the minimum percentage shall be **20% of its electronic gaming adjusted gross receipts**.

11VAC20-20-90. Recordkeeping.

- A. In addition to the records required by § 18.2-340.30 D of the Code of Virginia, qualified organizations conducting a session of bingo or electronic gaming shall maintain a system of records for a minimum of three years following the close of the fiscal year—unless otherwise specified—for each session on forms prescribed by the department or reasonable facsimiles of those forms approved by the department that include:
 7. All operating expenses, including rent, advertising, and security. Copies of invoices for all such expenses shall also be maintained.

11VAC20-20-100. Financial reporting, penalties, inspections, and audits.

- L. An-organization that meets the requirements of 11VAC20-20-20 D 2 may use electronic gaming revenue for **salaries and wages of employees** whose primary responsibility is to provide services for the principal benefit of an organization's members.

11VAC20-20-110. Use of proceeds.

- A. All payments by an organization intended as use of proceeds, except for payments made from electronic gaming receipts, must be made by a check written from the organization's charitable gaming account or a bank account authorized pursuant to 11VAC20-20-80 A.
- B. All payments by an organization intended as use of proceeds that are made from electronic gaming receipts must be made by check or electronic funds transfer from the organization's charitable gaming account or a bank account authorized pursuant to 11VAC20-20-80 A.
- C. Use of proceeds payments may be made for scholarship funds or for religious, charitable, educational, or community purposes. In addition, an organization may obtain department approval to establish a special fund account or an irrevocable trust fund for special circumstances. Transfers to such an account or an irrevocable trust fund from the organization's charitable gaming account may be included as a use of proceeds if the payment is authorized by the organization's board of directors.

No payments made to such a special fund account shall be withdrawn for other than the specified purpose, unless prior notification is made to the department.

- D. **~~Expenditures of charitable gaming funds for social or recreational activities or for events, activities, or programs that are open primarily to an organization's members and their families shall not qualify as use of proceeds unless substantial benefit to the community is demonstrated.~~** (Contradicts with HB344 effective 7/1/24. See definition of Reasonable and Proper Business Expenses above.)
- E. Payments made to or on behalf of indigent, sick, or deceased members or their immediate families shall be allowed as use of proceeds, provided they are approved by the organization's board of directors and the need is documented.

- F. Payments made directly for the benefit of an individual member, member of an individual member's family, or person residing in an individual member's household shall not be allowed as a use of proceeds unless authorized by the Charitable Gaming Law or regulations adopted pursuant thereto.
- G. Use of proceeds payments by an organization shall not be made for any activity that is not permitted by federal, state, or local laws, or for any activity that attempts to influence or finance—either directly or indirectly—political persons, committees, or the election or reelection of any person who is or has been a candidate for public office.
- H. Organizations shall maintain details of all use of proceeds disbursements for a minimum of three years following the close of the fiscal year and shall make this information available to the department upon request.
- I. The department may disallow a use of proceeds payment to be counted against the minimum percentage referred to in 11VAC20-20-20 D. If any payment claimed as use of proceeds is subsequently disallowed, an organization may be allowed additional time as specified by the department to meet minimum use of proceeds requirements.