

## Mississippi Gaming Commission Regulations

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## **TITLE 13: GAMING**

### **Part 10: Charitable Gaming**

#### **Part 10 Chapter 1: DEFINITIONS**

Rule 1.1 *Definitions*. The terms defined in the Mississippi Gaming Control Act have the same meaning in these regulations as they have in that Act, unless the context otherwise requires. As used in these regulations, the following terms have the following definitions, unless the context requires otherwise.

- (a) "Act" means the Charitable Bingo Law.
- (b) "Adjusted Gross Receipts" means all revenue remaining from bingo operations after payment of prizes and payment of fees required by the Commission.
- (c) "Alternate Supervisor" means the person who is designated to supervise all activities, and be responsible for the conduct of all games of a particular session in the absence of the bingo supervisor.
- (d) "Applicant" means the organization, its members, officers, agents, or employees who have applied for any license from the Commission.
- (e) "Automatic marking" means that numbers are marked on electronic card faces without a need for interaction by the participant. The only input required by the automatic marking functionality is by means of the calling system. The patron loads cards by input of the receipt number and/or the control number (a number identifying the cards sold to that player).
- (f) "Bingo" means a game of chance in which a right to participate is sold to a player and prizes are awarded, that is:
  - 1. Played with a card, sheet, or an electronic representation thereof, bearing numbers or symbols;
  - 2. Played with the participant covering, marking or revealing the numbers or symbols, as objects similarly numbered or designated are drawn from a receptacle and orally called; in the case of electronic representations, the requisite covering, marking or revealing may be accomplished electronically to match objects similarly numbered or designated and stored in memory in advance as winners, or which are generated randomly by an electronic process;
  - 3. Won by the player who first covers, marks or reveals a previously designated arrangement of numbers or symbols; and
  - 4. Played on the premises of a licensed organization and during the organization's regular hours of conducting bingo games.
  - 5. The term "bingo" includes pull-tabs made available as a companion game to bingo and played on the premises. The term "bingo" does not include any game which is played via television, telephone, satellite dish or any other telecommunications transmission or receiving device.
  - 6. Any electronic device used to produce an electronic representation of a pull-tab must maintain an inventory recorded in computed memory, not on cartridge memory, of the numbers of winners and losers. It must also be equipped with tamper-proof electric meters as a backup to the computer memory. It may not dispense cash or coins. Paybacks will be dispensed by printed ticket only. The printer shall maintain

duplicate records of all transactions. All such electronic pull-tab devices shall be approved by the Commission. Nothing herein shall prohibit the use of non-volatile memory devices that possess the ability to be checked for program integrity to a 99.9% level of competence at the site of the location owner by the Commission utilizing limited specialized equipment. Such non-volatile devices (other than standard EPROMs) shall be submitted to the Commission for final approval.

7. Other than those games as authorized by statute, bingo does not include a game whereby the player contributes to a pot and if such player wins a bingo game on a predetermined number that person wins, in addition to the regular prize, the contents of the pot. No other type game or raffle in which a person makes any wager on the chance of winning any prize may be offered or held in connection with the authorized bingo games as described in this section. Violation of this subsection may result in revocation of the organization's bingo license.

(g) "Bingo supervisor" means the person who is designated to supervise all activities, and be responsible for the conduct of all games of a particular session of bingo and may enter into agreements with manufacturers, distributors and operators on behalf of the charitable organization. A bingo supervisor or alternate supervisor shall be designated for every session of bingo held by a licensee.

(h) "Chairman" means the Chairman of the Commission acting in the capacity as the Chairman.

(i) "Charitable bingo supplies" means any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable bingo provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo or pull-tabs. It also includes any computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable bingo. Bingo game sets commonly manufactured and sold as children's games for a retail price of twenty dollars or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's bingo activity.

(j) "Charitable limited license" means a special license for the conducting of limited fund-raising bingo games for the benefit of a person, family or group of persons who, because of circumstances which cause a financial crisis of an emergency nature, are in need of immediate fund-raising relief.

(k) "Charitable Organization" means:

1. Any nonprofit organization domiciled in this state that is tax exempt under Section 501 (c) or (d) of the United States Internal Revenue Code and which has on file with the Commission either a tax exemption letter issued by the United States Internal Revenue Services, or a certified copy of its application for such tax exempt status if the Commission determines that the organization is likely to be granted the tax exempt status, and is:
  - i. Any chapter or post domiciled in this state of a nationally chartered organization whose membership is composed of former members of the military forces of the United States of America or whose membership is composed of members of the Merchant Marine Veterans Association;

ii. Any nonprofit civic, educational, wildlife conservation organization or religious organization domiciled in this state. If an organization which has on file with the Commission a certified copy of its applications for a tax exemption under Section 501 (c) or (d) of the U. S. Internal Revenue Code is not granted the exemption within twelve (12) months from the date of such application, the organization's license shall be subject to revocation pursuant to Section 97-33-61.

2. Any senior citizen recreation club, which is defined as an organization sanctioned by the local council on aging and composed of members age sixty (60) years or older, the sole function of which is to provide amusement and diversion for its members.

Any organization that does not meet the standards stated above, may petition the commission for a waiver of compliance.

(l) "Commercial lessor" means any person or other entity, other than a bona fide nonprofit organization licensed to conduct charitable bingo games, who leases any building, structure, or premises to organizations licensed to conduct charitable bingo games.

(m) "Commission" means the Mississippi Gaming Commission or its duly authorized representative.

(n) "Contact Person" means the designated agent by the charity that is to interface with the commission.

(o) "Distributor" means any person or other entity who sells, offers for sale, or otherwise furnishes to any licensed charitable organizations or operators, gaming supplies or equipment for use in the conducting of a bingo game.

(p) "Electronic Bingo Card Dauber means an electronic device or apparatus used by a bingo player to monitor bingo cards purchased at the time and place of a licensed organization's bingo session, and which:

1. Provides a means for numbers announced by a bingo caller to be input to a bingo players cards;
2. Compares the numbers input to the numbers contained on bingo cards previously stored in the electronic database of the device;
3. Identifies winning bingo patterns; and
4. Signals only the bingo player when a winner bingo pattern is achieved.

(q) "Executive Director" means the executive director of the Commission.

(r) "Expenses" means ordinary, necessary and reasonable costs incurred in preparation for, or in the conduct of, the bingo operation. It does not include childcare or babysitting services, door prizes or promotional items given to participants, or transportation charges for participants.

(s) "Gross Receipts" means all revenue received from bingo operations.

(t) "Licensee" means any organization licensed by the Commission to conduct charitable bingo, or licensed as a manufacturer, distributor, or operator of supplies or equipment.

(u) "Manufacturer" means any person or other entity who manufactures for sale, offers for sale, or otherwise furnishes, any gaming supplies or equipment for use in the conducting of a bingo game. The manufacturer can only sell to licensed distributors and licensed operators.

(v) "Net proceeds" means the gross amount collected from participants less the actual prizes or winnings paid, and less the actual cost or expenses of conducting the bingo game. In determining "net proceeds" for manual pull-tabs see 13 Miss. Admin. Code Pt. 11, R. 2.1(b).

(w) "Operator" means a person or other entity who rents or leases the charity an electronic facsimile pull-tab device or labor saving device as described in Section 97-33-53. This license

will also be issued to those persons or entities which repair and/or service electronic pull-tab devices. This person or entity may not be engaged in any other form of bingo operations such as a distributor, manufacturer, charity or commercial lessor.

(x) "Participant" means a patron of a bingo establishment who participates in a bingo game.

(y) "Pay-out" means the number of credits won by a player in a video game, whether used to play additional games or collected on a ticket voucher, in proportion to the amount of cash and credit wagered.

(z) "Prize Pay-out" means the total amount paid to one or multiple winners of any one bingo game, pull-tab, or electronic pull-tab winner.

(aa) "Pull-tabs" means single or banded tickets or cards each with its face covered to conceal one or more numbers or symbols, where one or more cards or tickets in each set have been designed in advance as winners. "Pull-tabs" shall also mean any device for dispensing pull-tabs or any electronic video finite pull-tab device approved under these rules and regulations.

(bb) "Pull-tab set or deal" means any form, series or group of pull-tabs having the same serial number. In the case of an electronic video pull-tab device, a deal shall consist of four equivalent sets of pull-tabs, each set being identical to the other three, except as specified herein.

(cc) "Reasonable Market Rental Rate" is that rate at which similar facilities or equipment available for similar purposes in the community may be leased or rented.

(dd) "Session" means any five (5) hour time period within one day. A licensee may hold no more than two (2) sessions in one day or more than eight (8) sessions in one week. A licensee who holds only one (1) session per week may conduct one six (6) hour session. A day means a period of time of 24 hours from midnight to midnight. A week means that period of time from 12:01 a.m. Monday, through midnight the following Sunday. The session begins when the first ball is called, or when the first pull-tab is sold, or when play is activated on the electronic pull-tab devices, whichever comes first. The session will end at midnight, or when the last ball is called, the last pull-tab is sold or the electronic pull-tab devices are no longer available for play. If a bingo game extends beyond midnight, then a new session has begun on the next day. In no case may an organization hold more than eight (8) sessions in one week, regardless of the total number of hours played in each session. The minimum number of hours of traditional call bingo play must be:

1. For a class "a" organization, three (3) hours.
2. For a class "b" organization, two (2) hours
3. For a class "c" organization, one (1) hour.

However, if licensee is operating under the eighty (80) hour exception, the session begins when the first ball is called.

(ee) "Ticket voucher" means a printed ticket tendered to the player, upon request, for any remaining credits on the electronic pull-tab device. In the case of electronic finite video pull-tabs, each set being identical to the other three, except as specified herein. The voucher is redeemable for cash. The electronic pull-tab device printer shall print a ticket voucher to the player at the completion of game play if there are any remaining credits on the game. The original ticket voucher and duplicate audit copy must be legible and maintained as a permanent record for three (3) years. The minimum information printed on the ticket voucher shall consist of the following: The name of the licensee, the serial number of the machine, the time of day that the ticket was printed, the date, the sequential number of the ticket voucher and the value of the prize. The printing mechanism of the electronic pull-tab device shall have a paper sensing device that will prevent play if there is no longer any paper in the printer or, in the alternative, if there is

insufficient paper to print a ticket voucher or an audit copy. In the case that the machine senses “paper out,” it shall void the previous cash ticket and print another upon recovery. "Pull-tabs" shall also mean any device for dispensing pull-tabs or any electronic video finite pull-tab device approved under these rules and regulations. The electronic pull-tab device must display a message to the effect when the paper is low or out on the electronic device's monitor.

Source: *Miss. Code Ann.* §§ 97-33-53, 97-33-55, 97-33-59, and 97-33-201.

**Rule 1.2 Fees.**

**(a) Charitable Organization License Fees:**

1. \$50. Due at time of application.
2. \$50. Per charity-owned machine per month or any part of a month. Due by the 15<sup>th</sup> of succeeding month in which machine was used.
3. 1% of gross bingo proceeds of each session and 2 ½ % of all net proceeds from electronic pull-tab devices and manual pull-tabs held by a Class “A” organization. Due by the 15<sup>th</sup> of succeeding month in which proceeds were earned.
4. ½ of 1% of gross proceeds of each bingo session and 2 ½ % of all net proceeds from electronic pull-tab devices and manual pull-tabs held by a Class “B” organization. Due by the 15<sup>th</sup> of succeeding month in which proceeds were earned.
5. ½ of 1% of gross proceeds of each bingo session and 2 ½ % of all net proceeds from electronic pull-tab devices and manual pull-tabs held by a Class “C”. Due by the 15<sup>th</sup> of succeeding month in which proceeds were earned.

**(b) Manufacturer’s License Fees:**

1. \$2,500. Due at time of application.

**(c) Distributor’s License Fee:**

1. \$2,500. Due at time of application.
2. 2 ½ % of net proceeds on manual pull-tabs. Due by the 15<sup>th</sup> of succeeding month in which proceeds were earned.
3. \$50. Per machine per month or any part of a month. Due by the 15<sup>th</sup> of succeeding month in which machine was used.

**(d) Operator’s License Fee:**

1. \$1,500. Due at time of application.
2. \$50. Per machine per month or any part of a month. Due by 15<sup>th</sup> of succeeding month in which machine was used.

**(e) Special Charitable Limited License Fees:**

1. \$50. Due at time of application.

Source: *Miss. Code Ann.* §§ 97-33-55, 97-33-107, and 97-33-201.

**Part 10 Chapter 2: LICENSING**

**Rule 2.1 Eligibility for a Charitable Bingo License.** A license to conduct charitable bingo shall only be issued to an organization meeting the qualifications set forth in Mississippi Code Ann. 97-33-53(b) and has a three (3) year history of charitable activity, unless waived by the Commission. A charitable organization as defined in Mississippi Code Ann. 97-33-53(b) (1972), may only obtain one license from the Commission to conduct a bingo game and may only

conduct such authorized games at one location.

Source: *Miss. Code Ann.* §§ 97-33-53 and 97-33-55.

*Rule 2.2 Charitable Limited License.* The Commission may issue a special license for the conducting of limited fund-raising bingo games for the benefit of a person, family or group of persons who, because of circumstances which cause a financial crisis of an emergency nature, are in need of immediate fund-raising relief or any other circumstance determined to be reasonable by the commission. This license application must be on the forms provided by the commission and is subject to the following restrictions:

- (a) The bingo games shall consist of no more than two (2) bingo sessions annually by the same person, family or group of persons; and
- (b) The total amount of prizes which may be awarded on any calendar day under such a license shall not exceed Fifteen Thousand Dollars (\$15,000.00) in cash or other thing or things of value; and
- (c) All net proceeds shall go to the specific need for which the games are conducted, as outlined in the application for such license; and
- (d) Complies with all other provisions of Sections 97-33-51 through 97-33-81.

A special limited licensee is only authorized to offer for play traditional call bingo. A limited licensee may not offer pull-tabs nor electronic representations of bingo or pull-tabs.

Source: *Miss. Code Ann.* §97-33-59.

*Rule 2.3 Exemptions.* Organizations conducting charitable bingo activity on property which the federal government claims exclusive jurisdiction, groups which participate in closed bingo sessions for amusement purposes only within their respective social clubs, elderly groups or retirement communities, schools, during annual or semi-annual fund raisers, churches during annual or semi-annual fund raisers, etc. where the organization or persons conducting the games do not profit or take a percentage from them are not required to be licensed by the Commission. All groups which claim exemption from the license requirement under this section must have on file with the Commission a request for exemption which certifies the eligibility of the organization. The Commission will provide an exemption letter which should be posted for public inspection. Failure to post the letter may result in a fine and the revocation of the "Exempt Status."

- (a) In no event may an exempt organization or group have electronic pull-tab devices on the premises or offer pull-tabs for play. Operators and distributors are prohibited from passing, giving away, selling or in any manner providing pull-tabs or electronic pull-tab devices to exempt organizations. The distributors will include on their monthly reports to the Commission the purchase of bingo supplies by an exempt organization.
- (b) A person, family or group who holds a charitable limited license for conducting a limited fund raising bingo game is exempt the 1% or ½% of 1% revenue fee and the session report as required 13 Miss. Admin. Code Pt. 10, R. 5.3.
- (c) However, the charitable limited licensee must report, on a form provided by the Commission,

to the Commission within fifteen (15) days of the fund raising bingo game, all revenues, prizes and expenses of the event. The licensee must sign this report to certify all information as true and correct.

(d) Any applicant that does not meet the preceding requirements may apply to the commission for a waiver of compliance.

Source: *Miss. Code Ann.* §§ 97-33-51 and 97-33-59.

*Rule 2.4 Application for a License to Conduct Charitable Bingo.*

(a) An application to conduct charitable bingo must be submitted to the Commission upon forms prescribed and provided by the Commission. No application will be deemed received if the information is incomplete or illegible. Any such document will be returned to the sender.

(b) Any license issued pursuant to these rules will be in effect up to three (3) years.

(c) The application shall include the name of the organization, address, current officers, all members of the board of directors, partners or principals of the organization, supervisors and alternate supervisors, federal tax identification number, federal tax exemption certificate, a copy of any rental or lease agreements or contracts where bingo is to be conducted, where applicable, all proposed contracts between the charity and/or the bingo hall and any other entity for whatever service, product(s), etc. and any other applicable information. A list of bingo employees will be submitted to the Commission prior to operation. The application shall include details outlining the financial support that the applicant intends to provide for the purpose for which the charitable organization is created. The details shall include an in depth description of the program services as well as the percentage of the bingo net adjusted gross receipts allocated to each program. The application shall include all expenses it expects to incur with respect to the operation of bingo. Failure to make material progress in meeting, on an annual basis, the requirements of the bingo plans provided may be grounds to deny, suspend or revoke the license of the licensee.

(d) The application is not complete unless it is dated and signed by the proposed supervisor of charitable bingo and the head of the organization, who shall be the president, chairman of the board of directors, or the chief executive officer or other duly elected head of the organization, certifying the information contained in the application is true and correct to the best of their knowledge. It is the intent of this section that the legally responsible official of the applicant organization shall sign in their representative capacity and the application shall contain all information and statements required by the Commission.

(e) All bingo games conducted must comply with all the requirements of these rules and to the requirements of the Charitable Bingo Law and such other laws and rules as may be applicable.

(f) Statements of purpose provided to the Secretary of State that are so general that the Commission cannot interpret the actual programs the charity is performing will not be accepted. The charity will either be required to more specifically define their purpose or attach specific program descriptions with budget information included.

Source: *Miss. Code Ann.* § 97-33-55.

*Rule 2.5 Expiration of License/Reissuance.*

(a) All licenses issued pursuant to these rules expire three (3) years from the date of issuance unless otherwise noted by the Commission.

(b) Any application for a new license must be submitted to the Commission on forms prescribed



by the Commission, the fees paid, and new license issued before any bingo activity can be conducted or any work can be performed.

(c) Upon application for a renewal license, agents will be provided with charity records to include but are not limited to: checking account statements, cancelled checks, minutes, payroll information and lists of assets. Failure to satisfy all license criteria contained in the Charitable Bingo Law and these rules may result in denial of a license.

Source: *Miss. Code Ann.* § 97-33-57.

### **Part 10 Chapter 3: SUPPLIES**

#### *Rule 3.1 Supplies.*

(a) Game sheets, packets, cards, pull-tabs, etc. may only be purchased or received by the bingo establishment from a distributor who has obtained a license from the Gaming Commission.

Source: *Miss. Code Ann.* §§ 97-33-67(4) and 97-33-69(6).

(b) Licensed organizations shall provide bingo cards or paper sheets to the participants for use during sessions. Participants shall not be allowed to play on their own bingo cards, with the exception of persons who are legally blind who may use their own cards. The licensee is responsible for proper accounting of all game shares sold to legally blind participants.

(c) All game sheets, packets, and cards must be pre-numbered by the manufacturer. An inventory report shall be maintained which indicates the total amount of paper on hand, purchases and set prices for each type of sheet, packet or card. Requests to change the set prices must be approved by the Commission in writing prior to the licensee initiating sales at the new price. Changes can only be implemented on a quarterly basis. The daily session report will indicate the total amount of paper distributed and the prices of each. The game sheets, cards and any packets may not be cut or altered in any way and must be offered to the patrons in the configuration or format as purchased from the distributor.

(d) The bingo organization is required to maintain on-site and immediately available for inspection by agents of the Commission all purchase invoices of all bingo supplies.

(e) Detailed inventory records must be maintained on all bingo supplies. These records must be verified by means of a physical count made at least monthly by an organization member who is not associated with bingo operations. A record of the physical count must be maintained on-site and immediately available for inspection by agents of the Commission.

(f) The distributor of all gaming supplies shall maintain all sales invoices to bingo operations and provide bingo organization's purchase information to the Commission on monthly reports. This would include both sales to charitable organizations and operators. The report must include the name of the licensee, the date of sale, the type of game supplies, the number imprinted upon those supplies and the cost of those supplies to the charitable licensee.

Source: *Miss. Code Ann.* § 97-33-79.

(g) No distributor shall sell, offer to sell, or deliver any charitable bingo product to any licensed organization in this State, and no organization shall buy or accept delivery of any licensed charitable bingo supplies except on terms of immediate payment, or on terms requiring payment

no later than the fifteenth day following that on which actual delivery is made. If any payment is not made when due, the distributor shall immediately notify the Gaming Commission thereof and the Commission may notify all distributors licensed in the state in writing of the default and thereafter no distributor shall sell any charitable bingo products to the organization in default on any other terms than immediate payment until otherwise authorized by the Commission.

(h) No manufacturer shall sell, offer to sell or deliver any charitable bingo products to any licensed distributor in this state, and no distributor shall buy or accept delivery of any licensed charitable bingo supplies except on terms on file with the gaming commission. If any payment is not made when due, the manufacturer shall immediately notify the gaming commission thereof and the commission may notify the manufacturers licensed in the state of the default and thereafter no person shall sell any charitable bingo products to the licensed distributor until otherwise authorized by the commission.

(i) No distributor shall accept payment from any licensed organization for any gaming supplies unless that payment is in the form of a check drawn on the organization's separate charitable bingo account.

(j) A licensee may not transfer surplus supplies or equipment to another licensee except upon written application to the Commission, on forms provided by the Commission, and with written permission of the Commission. Records must be maintained to fully document the transfer and receipt between both organizations.

Source: *Miss. Code Ann.* § 97-33-107(1).

(k) Charitable organizations and operators must obtain bingo supplies and equipment from licensed distributors.

(l) Licensed distributors must obtain bingo supplies and equipment from manufacturers licensed by the Commission.

Source: *Miss. Code Ann.* §§ 97-33-67(4) and 97-33-79.

## **Part 10 Chapter 4: RELIGIOUS ORGANIZATIONS**

### *Rule 4.1 Religious Organizations.*

(a) Fees based on gross proceeds shall not be collected from any bingo game held by a religious organization if all the following are satisfied:

1. The religious organization must have been in existence for at least ten (10) years;
2. The bingo games must be held on-premises owned by the religious organization;
3. No person may be compensated for operating the game; and
4. The gross proceeds for the bingo games operated by the organization has not exceeded Fifty Thousand Dollars (\$50,000.00) for the calendar year.

Source: *Miss. Code Ann.* § 97-33-107(c).

(b) The religious organization is required to submit monthly reports as required of all bingo licensees including all required information.

(c) "Gross proceeds" is the total amount received from the participants of the bingo games. Prizes awarded and other expenses are not deducted from this figure to calculate gross proceeds.

When gross proceeds are equal to Fifty Thousand Dollars (\$50,000.00) for a calendar year, the religious organization must begin submitting fees based on gross proceeds and electronic pull-tab devices as provided by class of organization for the remainder of the calendar year.

(d) It is the responsibility of the religious organization to anticipate when fees must be remitted. All procedures established for the payment of fees must be followed by the religious organization.

(e) The religious organization is not exempt from any provisions or regulations such as reporting requirements or the number of sessions which may be held, age of patrons, the amount of prizes which may be awarded, or any other rule or regulation governing bingo operations. The religious organization is not exempt from the fee imposed on pull-tab bingo.

Source: *Miss. Code Ann.* §§ 97-33-107(j), 97-33-107(c), and 97-33-71.

## **Part 10 Chapter 5: BINGO REQUIREMENTS**

### *Rule 5.1 Sign Required.*

(a) The licensee is required to create and post in an obvious and conspicuous place close to the entrance a sign which contains a list of the games to be played during each session and the prizes which may be awarded, and the following message and information:

1. TO ALL BINGO PARTICIPANTS: PLEASE REPORT ANY IRREGULARITIES IN PROCEDURES TO THE MISSISSIPPI GAMING COMMISSION CHARITABLE GAMING DIVISION
2. The sign shall contain the address and phone numbers including the toll free number of the Mississippi Gaming Commission.

(b) The sign shall be posted at all times when bingo is being conducted. Failure to post the sign as required could result in revocation of your license.

Source: *Miss. Code Ann.* § 97-77-65.

### *Rule 5.2 Returns/Due Dates.*

(a) All bingo returns and reports are due on the 15<sup>th</sup> of the following month along with applicable remittance. Such returns, reports, and remittance must be postmarked by the 15<sup>th</sup> of the following month. If the 15<sup>th</sup> falls on a Saturday, Sunday, or a legal holiday, postmark from the next business day will be accepted.

(b) The Commission may establish differing reporting requirements for different classes of licensees, so long as they are not more restrictive than those required by statute. Such classes of organizations are as follows:

1. Class "A" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded, or could be awarded, total an aggregate amount in excess of \$5,000 per session;
2. Class "B" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded, or could be awarded, total an aggregate amount of not less than \$2,500 and not more than \$5,000;
3. Class "C" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded, or could be awarded, total an aggregate amount of less than \$2,500.

(c) The report must be filed on forms as supplied by the Commission. A report is due each month by each licensee, even if there has been no activity. Not filing or filing past the due date could result in the revocation of the license. Other appropriate changes may be announced from time to time by the Commission.

(d) The report must be signed under oath by the designated supervisor whose name is on file with the Commission and the individual who prepared the report.

(e) The law requires each licensee that conducts bingo to report to the Commission in such manner and on such forms as the Commission prescribes. The statutes provide that all reports and supplemental records filed by the operation are public record and open to public inspection in accordance with the Public Records Act of 1983.

Source: *Miss. Code Ann.* §§ 97-33-52(4), 97-33-71, 97-33-65, and 97-33-107(k).

#### Rule 5.3 *Required Records.*

(a) A separate checking account at a local bank within the state of Mississippi shall be established for bingo. Only proceeds from bingo may be deposited in such account, and only expenses relating to bingo may be drawn against that account. Any expense that you would not incur if you didn't have a bingo hall is considered a fundraising expense versus a charity's expense. Of the charity's fundraising expenses, authorized bingo expenses are outlined as follows:

1. The licensee may pay as compensation for all persons involved in the holding, operating or conducting of any licensed game(s) of chance an amount not to exceed Six Hundred Dollars (\$600.00) per session;
2. The actual and reasonable costs of purchasing or leasing necessary supplies, equipment and materials to be used exclusively in the holding, operating or conducting of the bingo game; and
3. The actual and reasonable costs incurred in obtaining and performing necessary bookkeeping, security and janitorial services for the holding, operating or conducting of the bingo game. The reasonableness of the amounts of and the necessity for an expense authorized by this subsection shall be determined by the Commission.

All disbursements related to bingo shall be made only by check drawn on this special bank account, with the sole exception of prize payouts of under Five Hundred Dollars (\$500.00) per prize. All checks shall be made payable to a specific person or corporation, and no check shall be made payable to cash. All checks drawn against the bingo account must be signed by the bingo supervisor or designated alternate supervisor on file with the Commission. Only expenses authorized by statute are allowed and all disbursements from the separate bingo account must be in strict compliance with established policy of the organization. All disbursements must be fully supported by permanently filed receipts, invoices, or other sufficient documentation and must be properly and accurately recorded.

(b) Any compensation paid to any worker must be made by check from the organization's bingo account. Items provided or donated to the organization without payment, or any cost incurred by the bingo licensee, must be documented and include evidence from the donor that no cost was incurred by the licensee.

(c) All receipts from bingo, except for cash used to make prize pay-outs of less than Five Hundred Dollars (\$500.00) per prize, and that amount retained as a cash bank, shall be deposited in the bingo account no later than the next banking day following the bingo session. The start-up

bank may be retained from session to session or deposited at the discretion of the licensee. All deposit slips must be sufficiently completed as to identify the date and source of the receipts being deposited.

(d) The bingo account must be reconciled monthly by someone in the charitable organization other than the person(s) authorized to sign checks on that account. The bingo supervisors, or their alternate, must sign all checks drawn against the bingo account.

(e) All deposit slips, bank statements, with canceled checks, and other bank records must be maintained as permanent record and must be available for inspection by a duly authorized representative of the Commission

(f) Each licensee shall create and maintain accurate, legible and permanent records of all transactions pertaining to revenue and expenditures of the bingo operation. All such documents will be completed in non-erasable/permanent ink. Detailed supporting and subsidiary records which identify all revenues, expenses, assets and liabilities must be kept. These records include, but are not limited to: sales invoices and receipts, purchase invoices and receipts, shipping documents, lease agreements, inventory records, and the records of daily bingo activity (session reports) as prescribed by the regulations. All records must be maintained within Mississippi for at least three (3) years. Failure to maintain complete and accurate reports could result in revocation of the license.

(g) In addition to other record requirements, a session report shall be completed on forms provided by the commission for each session of bingo that is held. If two (2) sessions are held on the same day, a separate report must be made for each session and completed prior to the start of the next session. This record shall become permanent and must be available for inspection at all times by duly authorized representatives of the Commission. The completed report must be signed by the bingo supervisor or alternate, whose name is on file with the Commission, attesting its correctness. Other signatures of workers will also be required as specified.

(h) The session report will be completed in non-erasable ink and will include the following information:

1. General information.

- i. Name of bingo licensee.
- ii. Date.
- iii. Session number.
- iv. Time session began.
- v. Time session ended.
- vi. Total number of participants.
- vii. Copy of program run for that session.

2. Schedule of workers.

- i. Total number of workers
- ii. Name of each worker. A complete list of workers and their social security numbers must be maintained on file at the bingo facility. This list must be available for inspection by agents of the Commission
- iii. Duty of job assigned to each worker (such as responsible for money count, or sale of paper sheets and runner, etc.).
- iv. Hours actually worked by each worker.
- v. Compensation paid to each worker-- if none, indicate "NONE."
- vi. Signature of each worker attesting correctness of hours and compensation.
- vii. Total compensation paid to all workers.

3. Game report.
  - i. List by name, number and type of each game offered during the session (include pull-tabs and electronic pull-tab devices, if applicable). The program for each session must be attached to the session report.
  - ii. Total number by type of game sheets, packets and/or cards sold to participants.
  - iii. Cost to participant per each type game sheet, packet or card sold.
  - iv. Names of worker(s) selling game sheets, packets, cards, and their signature(s) verifying the numbers of paper supplies issued and prices paid by the participants.
4. Total receipts from bingo and electronic daubers. (Exclude pull-tab and electronic pull-tab devices). Total receipts is the gross amount received from all participants from the sale of packets, game sheets, cards, etc., from the session. Do not include receipts from pull-tabs or electronic pull-tab devices in this total. This figure is attested by signature of the worker who has duty of cashier and another worker who verified the money count.
5. Prize report.
  - i. List the prize(s) awarded for each individual game (exclude pull-tab and electronic devices).
  - ii. List the names of winners for each prize awarded, if multiple winners, all names must be listed for each prize.
  - iii. Type of games. The winning game sheet or card must be retained for a period of ninety (90) days, or until an agent does an inspection and instructs that said sheets may be destroyed. A list of winners must be retained for verification for a period of three (3) years.
  - iv. Amount of each prize awarded. If the prize is non-cash, a description of the prize and its fair market value shall be recorded. Also include any door prize which is awarded in a session. A door prize must be included in the per session prize limitation.
  - v. A receipt must be written for each prize in excess of Five Hundred Dollars (\$500.00) that is awarded to a bingo patron. The receipt booklet must be a three-part form with pre-printed numbers. The name of the charity and the location where the bingo games are held must also be pre-printed on the receipt.
    1. The original copy of the receipt is to be completed and given to the bingo patron upon determination that the patron has won a prize. The second copy is to be given to the cashier for verification of the prize when the prize is paid to the winning patron to ensure that the original had not been tampered with or altered in any way. This second copy must be signed by the patron when he or she receives his or her winnings. This second copy is permanent record and must be attached to the session report. An unsigned prize receipt will void the prize. The third copy must be maintained in its original booklet to be used as verification and maintained on file for at least three (3) years.
    2. The following information is to be included on the receipt:
      - i. Date

- ii. Session number
  - iii. Game played
  - iv. Prize amount awarded
  - v. Name of winner printed legibly
  - vi. Address, city and state of winner
  - vii. Social security number of winner
  - viii. Signature of winner
  - ix. Signature of worker who awarded the prize
  - x. Signature of cashier who paid the prize
- (3) If the prize is Five Hundred Dollars (\$500.00) or more, a check must be written to the winner. This amount must be included in the total prizes awarded.
- vi. Total amount of all prizes awarded for the session (exclude pull-tab and electronic pull-tab devices.)
6. Pull-tab bingo.
- i. Listing by name and serial number of each deal being sold during the session.
  - ii. Number of pull-tabs sold
  - iii. Price per pull-tab
  - iv. Name of worker(s) selling pull-tabs and their signature verifying total issued, sequence numbers and price
  - v. Total receipts from pull-tabs
7. Prizes awarded for pull-tab bingo.
- i. The patron must sign all winning pull-tabs beginning with third tier from the bottom and up. A copy of the payout sheet, which is included in each deal, must be maintained as evidence of all receipts and prize payouts.
  - ii. Total amount of prizes awarded for pull-tabs. Any winning player receiving Five Hundred Dollars (\$500.00) or more must sign a receipt as described in 13 Miss. Admin. Code Pt. 10, R. 5.3(h)(5)(v).
  - iii. The winning tabs must be retained for a period of ninety (90) days or until an agent does an inspection and instructs that said pull-tabs may be destroyed.
8. Total receipts from electronic pull-tab devices. The money count report must be attached to the session report.
9. Total prizes paid to electronic pull-tab device players. All payout tickets must be signed by the patron and the cashier. All tickets must be attached to the session report for verification. Any winning player receiving Five Hundred Dollars (\$500.00) or more must sign a receipt as described in 13 Miss. Admin. Code Pt. 10, R. 5.3(h)(5)(v).
10. Total of all receipts from bingo, including electronic daubers, pull-tabs, electronic pull-tab devices.
11. Total of all prizes awarded from bingo, including electronic daubers, pull-tabs, electronic pull-tab devices.
12. Win/Loss (gross receipts less prizes awarded).
13. Cash reconciliation.
- i. Beginning cash on hand, two (2) workers signatures of verification.
  - ii. Cash receipts for the session.
  - iii. Cash disbursements prizes under Five Hundred Dollars (\$500.00).

- iv. Ending cash on hand, two (2) workers signatures for verification.
- v. Check receipts for the session.
- vi. Bingo supervisor or designated alternate supervisor signature verifying all information on the report is true and correct.

Source: *Miss. Code Ann.* §§ 97-33-65, 97-33-69, 97-33-71, 97-33-73, 97-33-75, and 97-33-109.

*Rule 5.4 Value of Prizes.*

- (a) The value of all non-cash prizes shall be equal to the fair market value or normal and reasonable selling price of such prize.
- (b) If the prize has been donated to the licensee, then the donor of such prize shall prepare an invoice or statement to the licensee which states that the item is donated to the licensee and states the normal selling price or fair market value of such item. This documentation will be attached to the session report in which the prize was awarded.
- (c) The value of the non-cash prize is included in the total prize limitation which may be awarded for any session.
- (d) The value of donated prizes may not be reported as an expenditure.

Source: *Miss. Code Ann.* §§ 97-33-67(2) and 97-33-71(1)(e).

*Rule 5.5 Authorized Expenditures.*

- (a) All net proceeds derived from a bingo game authorized by the Charitable Bingo Law shall be expended only for the purposes for which the charitable organization is created. The use of bingo proceeds for any other purpose to include start-up costs, attorney fees, appellate costs or any other cost not routinely incurred by the organization must be preapproved by the Commission in writing. Approvals are not necessarily prohibited but the Commission must determine if they are necessary, reasonable, and specifically described in the organization's statement of purpose. No attorney fees will be approved to defend any individual in an administrative, civil or criminal matter.
- (b) None of the proceeds of a bingo game shall be used to purchase, construct or improve a building, hall or other facility solely for the purpose of conducting or operating a bingo game. Religious and veterans organizations, whose organizational office is located on the same premises, are exempt from this requirement.

Source: *Miss. Code Ann.* § 97-33-52(3).

- (c) The total amount of prizes which may be awarded in any one (1) session by a licensee shall not exceed Seven Thousand Five Hundred Dollars (\$7,500.00) in cash or other items of value offered as a prize or Eight Thousand Dollars (\$8,000.00) if only one (1) session is held in any one week. The total prize limit does not include paybacks for pull-tabs or electronic representations.

Source: *Miss. Code Ann.* § 97-33-67(2).

- (d) The total amount of prizes which may be awarded in any one day by a licensee who holds a special license for limited fund-raising is Fifteen Thousand Dollars (\$15,000.00).



Source: *Miss. Code Ann.* § 97-33-59(1).

(e) No commission, salary, compensation, reward or recompense, including but not limited to bonuses, incentive pay, loans, granting or use of bingo cards without charge or at a reduced charge, shall be given to any person holding, operating, conducting or assisting in holding or operating any licensed bingo game, either directly or indirectly by the licensee except as authorized by Section 97-33-69 (3) and these regulations.

Source: *Miss. Code Ann.* § 97-33-69(2).

(f) The charity is prohibited from compensating any member or other person who, acting on behalf of the charity, organizes, arranges, directs, oversees, consults, confers or in any manner participates in the holding of a bingo game other than the exception as authorized by statute and described in this section and in 13 Miss. Admin. Code Pt. 12, R. 5.4. Violation of this provision by the charity could result in suspension or revocation of the charity's charitable bingo organization license. The burden of proof shall be upon the charity licensee that this provision is not violated. The financial records of the charity, aside from the required bingo records, must be made available to the Commission upon request for verification.

(g) A licensee may compensate any person involved in holding, operating, or conducting any licensed game or games, provided that the total amount paid as such compensation shall not exceed Six Hundred Dollars (\$600.00) for any one (1) session, and that no such employee shall be paid for more than one job function.

1. People to whom such compensation may be paid include the bingo supervisor, alternate supervisors, callers, runners, cashiers, etc. Bingo supervisors and alternate supervisors, if compensated, must have a written contract on a per session basis.
2. However, neither the bingo supervisor, nor any alternate supervisor, nor any person related to any supervisor or alternate by blood, marriage, or business relationship, while being compensated as a bingo supervisor, shall receive any other compensation directly or indirectly from the licensee.

Source: *Miss. Code Ann.* § 97-33-69 (3).

(h) Authorized expenditures include the actual and reasonable costs of purchasing or leasing necessary supplies, equipment and materials used exclusively in the holding of the bingo game.

Source: *Miss. Code Ann.* § 97-33-69(7)(a).

(i) Authorized expenditures include the actual and reasonable cost incurred in obtaining and performing necessary bookkeeping, security and janitorial services for the holding, operating or conducting of the bingo game.

Source: *Miss. Code Ann.* § 97-33-69(7)(b).

(j) No licensee shall pay any consulting fee to any person for any service performed in relation to the conducting of a bingo game, nor pay any concession fees to any person who provides

refreshments to the participants.

Source: *Miss. Code Ann.* § 97-33-69(8).

(k) No lease which provides for a rental arrangement for premises or a lease of equipment may provide any payment in excess of the reasonable market rate. No lease payment may be based on a percentage of gross receipts or profits derived from any bingo game.

Source: *Miss. Code Ann.* § 97-33-69(9).

(l) The monthly report required to be filed with the Commission must list each item of expense incurred and each item of expenditure made or to be made.

(m) In order to ensure that authorized bingo games are actually held for the benefit of a charitable organization, and that proceeds are expended for the purposes for which the organization was created, a charitable bingo licensee's authorized expenses may not exceed sixty percent (60%) of its adjusted gross receipts from bingo activities. The net adjusted gross receipts, remaining after authorized expenses, must be devoted to the specific purposes for which the organization was created. Not less than sixty-five percent (65%) of the net adjusted gross receipts shall be expended for direct program services. For the purpose of this section, direct program services are grants, allocations, specific assistance to individuals and approved charitable services. Direct program services do not include administrative expenses or compensation of officers, directors, etc.

1. Adjusted gross receipts are to be calculated by taking the licensee's gross receipts (all revenues received from bingo operations) and subtracting the amount paid out as prizes and the amount of fees paid to the Commission.
2. The authorized expenses which may be incurred by a charitable bingo licensee are set forth in Section 97-33-69 of the Mississippi Code and in 13 Miss. Admin. Code Pt. 10, R. 5.5(g)-(i).
3. Every charitable bingo licensee shall be in compliance with the requirements of this provision for all periods of twelve consecutive months. Failure to be in compliance with the requirements of this provision may be grounds for the Commission's refusal to renew or revoke a charitable bingo license after the licensee has had the opportunity to show cause why such action should not be taken.
4. When the Commission conducts an audit of the charity and/or bingo books/records, the charity will provide sufficient private office space with table(s), chairs.

(n) To ensure that all net proceeds derived from a bingo game authorized by the Charitable Bingo Law shall be expended only for the purposes for which the charitable organization is created, the Commission shall have the power to audit the flow of funds, whether gross proceeds or net proceeds, that are expended by the bingo licensee in support of the applicable charity activity. The Commission shall have the power to deny, suspend or revoke the license of the licensee or the application of the applicant if the licensee or applicant fails to comply with the provisions of this section. The provisions of this section shall not apply to:

1. A person or entity that has been issued a special license for conducting limited fund-raising bingo games for emergency financial relief under Section 97-33-59;
2. A charitable organization that otherwise meets the requirements of the charitable bingo law and regulations and is a religious organization which has been in existence

- for ten (10) years or longer, conducts its bingo sessions on premises owned by the religious organization and conducts its bingo sessions solely by active members of the organization, without any person or entity being compensated for operating the sessions;
3. A charitable organization that otherwise meets the requirements of the charitable bingo law and regulations and is a chapter or post domiciled in this state of a nationally chartered organization having a membership composed of former members of the military forces of the United States of America, or members of the Merchant Marine Veterans Association, and conducts its bingo sessions solely by active members of the organization, without any person or entity being compensated for operating the sessions.

Source: *Miss. Code Ann.* §§ 97-33-52, 97-33-57, 97-33-69, and 97-33-107.