**Part 10 Chapter 5: BINGO REQUIREMENTS**

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 butthe 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 licenseeexcept 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.

**Part 10 Chapter 5: BINGO REQUIREMENTS**

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 butthe 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 licenseeexcept 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 ~~Four~~ Six Hundred Dollars ~~($400.00)~~ ($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.