

# BINGO

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Department of Revenue

# What is Bingo?

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Bingo is a game of chance where the first person to cover a predetermined set of numbers on a bingo card wins a prize.



# Why Do We Conduct Bingo?

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1. It is fun.
2. To make a profit.
3. To employ people.



# Gross Receipts

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Gross Receipts (bingo card sales): money from the sale of bingo paper.



# Cost of Prizes

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Cost of Prizes: value of prizes awarded (cash or merchandise).



# Expenses

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Expenses: costs that are reasonable, ordinary, and necessary to conduct a gaming activity.



# Expenses - Reasonable

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Which of the following expenses are reasonable to conduct bingo?

- Complimentary coffee offered to players.
- Complimentary prime rib offered to players.



# Expenses - Ordinary

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Which of the following expenses are ordinary for the conduct of bingo?

- Wages paid to bingo employees.
- Door prizes.
- \$10,000.00 bonus paid to each bingo employee.





# Expenses - Necessary

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Which of the following expenses are necessary to conduct bingo in December?

- Heat
- Chocolate Cake
- Electricity



# Net Proceeds

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Net Proceeds (profit): money left over after prizes and expenses are paid.



# Which City Would you Prefer to Be?

City A		City B		City C	
Gross Receipts (sales)	100,000	Gross Receipts (sales)	100,000	Gross Receipts (sales)	100,000
Prizes Awarded	70,000	Prizes Awarded	75,000	Prizes Awarded	75,000
Expenses	<u>25,000</u>	Expenses	<u>25,000</u>	Expenses	<u>30,000</u>
Net Proceeds	5,000	Net Proceeds	0	Net Proceeds	(5,000)



# Bingo - How to NOT Lose Money

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It is generally difficult to control how many people will show up to play bingo, in other words it is hard to control gross receipts (sales).

However, we do have the ability to control:

1. Prize Payouts

Who in your organization determines the prize amount that will be paid for each game? How did they come to that decision?

2. Expenses

Who monitors bingo expenses?

Who controls bingo expenses?



# Records/Reporting

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1. In order to submit quarterly and annual reports, we need accurate records. This means records must (1) exist, and (2) we must have access to the records.
2. Records must exist for each game, each session, each day, each week, each month, each quarter and each year.
3. Gaming bank account should be reconciled at least monthly, and more frequently if there is a high volume of transactions.



# Record Requirements 15 AAC 160.625

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Bingo Session Schedule includes name and type of game and prizes awarded for each game.

Bingo Floor Sale Tally Sheet includes number of bingo cards (set, packet) sold during a session, number of cards not sold, sales prices of each card, total amount of money collected during session.

Bingo Session Report includes beginning till balance, gross sales from bingo cards, other sales, cash and non-cash prizes awarded, adjustments, amount to be deposited, and ending till.



# Class Exercise

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1. Review quarterly report.
2. File annual financial statement.



# Questions?

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Charitable Gaming Section

Our website:

[www.tax.alaska.gov/gaming](http://www.tax.alaska.gov/gaming)

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<https://online-tax.alaska.gov>

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