BINGO

Department of Revenue
What is Bingo?

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?

1. It is fun.
2. To make a profit.
3. To employ people.
Gross Receipts (bingo card sales): money from the sale of bingo paper.
Cost of Prizes:

Cost of Prizes: value of prizes awarded (cash or merchandise).
Expenses: costs that are reasonable, ordinary, and necessary to conduct a gaming activity.
Expenses - Reasonable

Which of the following expenses are reasonable to conduct bingo?

• Complimentary coffee offered to players.

• Complimentary prime rib offered to players.
Expenses - Ordinary

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

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

• Heat
• Chocolate Cake
• Electricity
Net Proceeds

Net Proceeds (profit): money left over after prizes and expenses are paid.
## Which City Would you Prefer to Be?

<table>
<thead>
<tr>
<th>City A</th>
<th>City B</th>
<th>City C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Receipts (sales)</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Prizes Awarded</td>
<td>70,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Expenses</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Net Proceeds</td>
<td>5,000</td>
<td>0</td>
</tr>
</tbody>
</table>
Bingo - How to NOT Lose Money

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?
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

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

1. Review quarterly report.

2. File annual financial statement.
Questions?

Charitable Gaming Section
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Revenue Online website: https://online-tax.alaska.gov

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