North Dakota
Gaming Update

September 2016

The Gaming Update newsletter is published quarterly. Issues are available for download on the Gaming page at www.ag.nd.gov.

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OFFICE CLOSINGS

The Gaming Division will be closed on **November 11, 2016,** in observance of Veterans Day and on **November 24, 2016,** for Thanksgiving.

Warning~Counterfeit Pull Tabs

This office was recently made aware that counterfeit pull tabs had been identified at gaming sites in western North Dakota. The counterfeit pull tabs were occurring with pull tab games played through dispensing devices. Organizations are encouraged to talk to gaming employees and bar employees who redeem the winning pull tabs, and remind them to check for correct serial numbers and the appropriate winning symbols when looking at the prize amount printed on the pull tab.

If a counterfeit pull tab is presented for redemption, the employee should keep the pull tab but not pay the prize amount. Contact the gaming manager immediately. The gaming manager should report the counterfeit pull tab to local law enforcement and this office. ♦

Gaming Forms

Due to the promulgation of additional methods of conducting raffles, four new recordkeeping forms have been developed. The Raffle Board Daily Report & Summary (SFN 61072) documents and summarizes the conduct of a raffle board. Three additional forms document and summarize the conduct of a fifty-fifty raffle system: Fifty-Fifty Draw Number Allocation & Sales Reconciliation (SFN 61070), Fifty-Fifty Daily Report & Summary (SFN 61069), and Fifty-Fifty Raffle Summary (SFN 61071).

In addition, the Gaming Division has revised 24 other recordkeeping forms. If you use any of the standardized recordkeeping forms, check to make sure you are using the most recent revision for the form. The forms, instructions, and examples are available online on the Gaming Forms page at www.ag.nd.gov. Organizations may also purchase printed booklets containing updated applicable forms, instructions, and examples. The order form is available under the General Forms link on the Gaming Forms page. ♣

Check Registers

In this day and age, the convenience of instant online banking may leave some questioning whether maintaining a check register is necessary.

However, organizations are **required** to use the ending balances from their gaming and trust account check registers when completing lines 21 and 27 of the gaming tax return. The monthly ending bank statement balance may not be used as the source of the check register information. The check register balances must also be used when reconciling net proceeds and trust account carryovers as required by North Dakota Administrative Code § 99-01.3-03-05.

GAMING CHECK REGISTER

Check No.	Date	Description of transaction	Payment		√	Deposit		$2,359	86
1501	9/20/16	Gaming Distributor Inc.	325	56				$2,034	30
		pull tab supplies							
	9/21/16	Classic Bar - twenty-one				817	50	$2,851	80
	9/23/16	Bingo Hall - bingo				500	00	$3,351	80
1502	9/26/16	Sue Smith	437	85				$2,913	95
		payroll							
1503	9/26/16	Bill Brown	437	85				$2,476	10
		payroll							
1504	9/30/16	Gaming Distributor Inc.	76	10				$2,400	00
		bingo paper							
1505	10/1/16	XYZ Bar	400	00				$2,000	00
		October site rent							

Additional reasons to continue maintaining a check register and use it to reconcile bank statements at least monthly are:

1) Online banking shows a running balance of processed transactions, but does not immediately reflect checks that have been written but have not yet been processed. Some debit and electronic transactions can take a few days to process.

2) Identify bank errors. While this may be a rare occurrence, it does happen where a check is processed incorrectly or a debit transaction is deducted twice.

3) Identify deposits which never made it to the bank. Without recording an expected deposit, a missing deposit on a bank statement may not be identified.

4) Prevent overdraft fees. Relying on the bank balance without realizing the amount of outstanding checks remaining or unprocessed debit transactions can lead to over withdrawals.

TRUST CHECK REGISTER

Check No.	Date	Description of transaction	Payment		√	Deposit		$5,895	50
	7/30/16	Transfer from Gaming			√	2200	00	$8,095	50
329	8/1/16	Hometown High School	1256	73	√			$6,838	77
		new computers							
330	8/1/16	Volunteer Fire Department	1500	00	√			$5,338	77
		fire hose for truck							
	8/30/16	Interest Income			√	5	23	$5,344	00
331	9/1/16	American Cancer Society	200	00				$5,144	00
		donation							
332	9/15/16	Hometown Food Pantry	200	00				$4,944	00
		donation							
333	9/28/16	Meals on Wheels	200	00				$4,744	00
		donation							

For a check register to be an effective tool in managing your checking account, it is important to enter every transaction. When writing a check or using a debit card, record the transaction immediately in the check register, or at least save the ATM and debit card receipts and enter those transactions weekly into the check register. ♦

Gaming Tax Returns

The Gaming Division no longer provides printed gaming tax return booklets. Gaming tax return forms and instructions are available online from the Gaming page at www.ag.nd.gov.

- If you are using Windows 10, the Edge internet browser is not compatible with the auto calculating gaming tax returns.

The forms can be completed online but must be printed and mailed with payment of the tax due. Gaming tax returns must be postmarked or hand-delivered by the last day of the month following the end of the quarter or the next business day if the last day is a weekend or holiday.

If your organization is unsure which gaming tax return form to file, contact Patty at (701) 328-4848 for further instruction. ♠

GAMING ACTIVITY

Gross proceeds topped off with wagers of $72,659,397 for the quarter ended March 31, 2016. Of that amount, 78.95% or $57,366,837 was returned to players as prizes, leaving an adjusted gross proceeds of $15,292,560. Adjusted gross proceeds increased 6.19% from the quarter ended December 31, 2015.

The largest percentage increase for gross proceeds was in activity which occurred in the seasonal games of raffles with an increase of 116.4%, raffle boards with an increase of 109.6%, and poker with an increase of 95.6%. ♥

Top Twenty Organizations

For the quarter ended March 31, 2016, the top 20 organizations, accounting for $39,903,846 or 55% of the gross proceeds wagered, were:

1. North Dakota Association for the Disabled Inc. – Grand Forks
2. Prairie Public Broadcasting Inc. - Fargo
3. Plains Art Museum - Fargo
4. Development Homes Inc. – Grand Forks
5. Minot Junior Golf Association Inc. - Minot
6. Minot Hockey Boosters Inc. - Minot
7. Bismarck-Mandan Convention & Visitors Bureau Inc. - Bismarck
8. American Foundation for Wildlife - Bismarck
9. Share House Inc. - Fargo
10. West Fargo Hockey Association Inc. – West Fargo
11. Jamestown Council Knights of Columbus - Jamestown
12. Dickinson Youth Activities - Dickinson
13. The Team Makers Club Inc. - Fargo
14. Cystic Fibrosis Association of North Dakota - Bismarck
15. L I S T E N Inc. – Grand Forks
16. Fort Abraham Lincoln Foundation - Mandan
17. Veterans Club - Kenmare
18. Devils Lake Volunteer Fire Dept. – Devils Lake
19. Grand Forks Blue Line Club Inc. – Grand Forks
20. Williston State College Foundation - Willison

Farewell

The Gaming Division said goodbye to auditor Joey Cherrey on September 16, 2016. We wish him all the best in his future endeavors. ♠

The Gaming Division had another busy year for fiscal year 2016 (July 1, 2015-June 30, 2016), with the following activities:

- Promulgated new administrative rules;
- Sold 66,000 gaming stamps;
- Processed 8,783 invoices from 11 distributors for sales of stamped games and paper bingo cards;
- Processed 719 long form gaming tax returns and 500 short form gaming tax returns;
- Oversaw 324 gaming organizations with 925 gaming sites, 13 gaming distributors, and 13 gaming manufacturers;
- Reviewed 66 video surveillance submissions;
- Completed 32 audits/limited compliance reviews of gaming organizations;
- Tested a total of 336 slot machines during monthly inspections of six Tribal casino locations for compliance with the Tribal/State Gaming Compact;
- Conducted 42 one-on-one training sessions for gaming organizations;
- Inspected four manufacturing plants;
- Conducted 75 investigations generated from thefts, defective games, and customer complaints; and
- Processed 703 charitable gaming record checks and 842 tribal record checks. ♠

- Cost per square on a raffle board can be any dollar amount; however, all squares must be sold for the same price.
- Independent contractors cannot be hired by organizations to be poker dealers.
- Expenses for nongaming activity associated with a raffle event are not gaming expenses.
- A deal of pull tabs must contain at least two top tier winners when played in commingled pull tab games for jars or in dispensing devices. ◙