PAPER PULL-TABS

This chapter contains information on paper pull-tab conduct, paper pull-tab dispensing devices, point-of-sale systems, reporting, and common problems.

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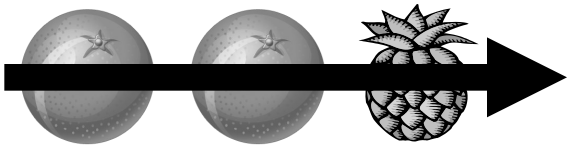
Fruit Basket

$200 $200
$200 $200

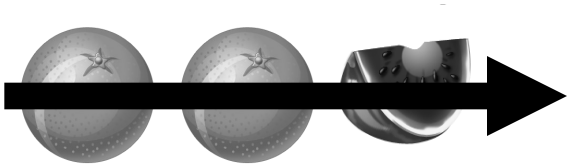
4 TIMES

$100 $100
$100 $100



4 TIMES

$ 50 $ 50
$ 50 $ 50



4 TIMES

$1

240 times

AZ Inc 19974, Roseville, MN 55113 FORM 01234

MFG ID PART NBR SERIES NBR 07/06/03

0 1 2 3 4 7 0 0 0 6

700006

Paper Pull-Tab Purchasers - This paper pull-tab game is not legal in Minnesota unless an outline of Minnesota with the letters "MN" inside is imprinted on this sheet, and the serial number imprinted on the bar code at the bottom of this sheet is the same as the serial number on the paper pull-tab ticket you have purchased.

AZ01234-MN 700006
GREEN

Tickets 4500
JOB#31353

Common Terms

Bar code	Bar codes are used by the Department of Revenue to track the distribution, sales, and reporting of paper pull-tab deals throughout Minnesota. It is the manufacturer's responsibility to place a bar code on the flare of each paper pull-tab deal.
Bar op	Method of selling and redeeming paper pull-tabs by the lessor's employees at a leased premises where paper pull-tab sales are made from the common area where food and on-sale or off-sale of intoxicating liquor or 3.2% malt beverages are sold.
Booth op	Method of selling and redeeming paper pull-tabs by an organization's employee from a separate enclosure (in an owned or a leased premises) that is distinct from areas where food and beverages are sold.
Buyout	Purchasing the remaining tickets in a paper pull-tab deal.
Deal	A deal is an individual game of paper pull-tabs that is either a separate package or series of packages consisting of one game with the same serial number.
Flare	A flare is the posted display that: • has a bar code and a Minnesota geographic boundary symbol imprinted or affixed; • is used to inform paper pull-tab players of information needed to play a particular deal of paper pull-tabs (prizes to be awarded, winning symbols, payout percentage or number of tickets in the deal, etc.); and • is included with each deal of paper pull-tabs you purchase from a distributor licensed by the Gambling Control Board.
House rules	House rules, developed by your organization, are rules that govern the conduct of your organization's lawful gambling. They are posted in close proximity to the point of sale and must be visible at the point of sale.
Last sale prize	An optional prize that is awarded to the player who buys the last ticket of a deal that has had a last sale prize sticker added to the flare by the distributor. If an organization decides to offer a last sale prize, the organization must order the game from the distributor with a last sale prize sticker added.
Paper pull-tab (or paper pull-tab ticket)	A paper pull-tab is a single folded and banded ticket, grouping of folded and banded tickets, or multi-ply card with perforated breakopen tabs, the face of which is initially covered to conceal one or more numbers or symbols, and where one or more of each set of tickets or cards has been designated in advance as a winner.
Seal card	A board or placard used in conjunction with a deal of paper pull-tabs which contains a seal or seals that, when opened or uncovered, reveal predesignated winning numbers, letters, or symbols.

Items Used in the Conduct of Paper Pull-Tabs

Required Items

Item	Use	Where to Obtain
Cash drawer	Use a separate cash drawer for each deal of paper pull-tabs in play, with two exceptions: • Organizations may use a single cash bank to redeem paper pull-tab tickets purchased from a paper pull-tab dispensing device. • See *Point-of-sale system* below (under Optional Items).	From any source.
Container (receptacle)	A separate container is required for each game in play.	From any source.
Prize receipt form	Complete a prize receipt form for: • each winning paper pull-tab ticket valued at $100 or more; and • last sale prize valued at $20 or more.	Often provided with the game by the distributor, the form is contained in this chapter.
Paper pull-tab tickets	Sold for the conduct of a paper pull-tab game.	Purchase from a licensed distributor only.

Optional Items

Item	Use	Where to Obtain
Booth	A separate enclosure from which paper pull-tabs are sold.	From any source.
Point-of-sale system	Organizations may use a single point-of-sale system drawer for more than one deal of paper pull-tabs, if the point-of-sale system meets technical standards. See the *Using a Point-of-Sale System* section in this chapter.	From any source.
Posting board	Used to post major prize winning paper pull-tab tickets awarded in a deal. Or, the winners can be marked off on the game flare as the prizes are awarded.	From any source.
Paper pull-tab dispensing device	A device used to dispense paper pull-tab tickets. See the *Using a Paper Pull-Tab Dispensing Device* section in this chapter.	Lease or purchase from a licensed distributor only.
Scanner	Used to quickly print driver's license information onto a label that is then permanently affixed to a prize receipt form.	From any source.

Conducting a Paper Pull-Tab Game

For information on who may and may not participate in lawful gambling, see Chapter 3, page 20.

Information required to be posted at each premises

General information posted	The following information must be prominently posted at each premises: • organization name, license number, and premises permit number, • a statement that illegal gambling is prohibited at the premises, and • the problem gambling hotline number (1-800-333-HOPE) at each point of sale.
House rules posted	The minimum size for the house rules sign is 11” x 17”. The house rules governing the conduct of lawful gambling must be clearly visible at the point of sale. The house rules must include all policies of your organization that affect the play of the game, including any restrictions in addition to those imposed by Minnesota Statutes, Section 349.181, on who may participate in the conduct of lawful gambling at the premises. The house rules may include items such as: • Cash only. Money orders, cashier’s checks, and travelers checks may be accepted. Checks, credit cards, or debit cards not accepted. • The winner must have a driver’s license or government-issued picture ID to redeem a winning ticket. • The organization cannot guarantee the prizes remaining in a paper pull-tab deal. • Posting shows only major winning paper pull-tab tickets that have been redeemed. • Players must be 18 or older to purchase or redeem a ticket. • We reserve the right to refuse service for disruptive or offensive behavior.
Name of paid employee	Paid gambling employees must clearly display their name (last name not required) when conducting lawful gambling. Wearing a name tag or posting a name plate are the most common methods to meet this requirement.

Information required to be kept at each premises

Records and forms	All licensed organizations must keep the following at each premises: 1. a current site inventory record which lists each paper pull-tab deal kept on the premises; 2. the LG861 Site Control/Tracking and Auditing of Paper Pull-Tab Game (unless a point-of-sale system or dispensing device is used); 3. a copy of the distributor’s invoice for: • each paper pull-tab deal in play; and • each unplayed paper pull-tab deal stored on the premises; 4. for any paper pull-tab dispensing devices: • a copy of the lease or sales agreement for each paper pull-tab dispensing device at the premises; and • the LG286 Paper Pull-Tab Dispensing Device Game Receipts Tracking and the LG287 Paper Pull-Tab Dispensing Device Prize Bank Reconciliation; and 5. the LG283 Point-of-Sale System Cash Count Report if a point-of-sale system with a single cash drawer is used for multiple paper pull-tab games.
Deals in play	All records, reports, and prize receipts relating to a deal of paper pull-tabs in play must be kept at the premises while the game is in play.
Separation of equipment	A clear physical separation or divider between the organization’s gambling equipment, another organization’s gambling equipment, and the lessor’s business equipment must be maintained.

Conducting a Paper Pull-Tab Game (continued)

When games are received, verify invoice against games

When gambling product is received, an organization must verify each deal against the distributor's sales invoice. If games are packed in a case, open the case and identify each game.

Verify the game information on the **sales invoice** with the **bar code label.**

_____ Manufacturer ID.

_____ Part (form) number.

_____ Serial number.

_____ Last sale sticker, if any. Only the distributor may add a "last sale prize" sticker to a flare. A game with a last sale prize must be ordered that way from a distributor.

If an error is discovered on the sales invoice, notify your distributor immediately and obtain a corrected invoice.

Defective game discovered before game put into play

Before putting a paper pull-tab game into play, check it for the following possible defects:

_____ Manufacturer's seal on container is broken.

_____ Serial number or form number on tickets and flare do not match.

_____ All tickets in a deal do not have the same serial number.

_____ Geographic outline of state of Minnesota is not on the flare.

_____ Bar code does not appear on the flare.

_____ Prize amounts on tickets and flare do not match.

_____ Ticket price does not match price on flare.

_____ Flare was altered, such as cut off or defaced.

If any defect is found before the game is put into play, the game may not be put into play.

If a defect is found:

1. Within seven business days, return the defective game to the distributor for full credit of the cost of the game and taxes paid. Provide the distributor with a written statement that the game is defective.
2. Get a receipt for the game from the distributor.
3. Note in your inventory records the date the game was picked up.

Conducting a Paper Pull-Tab Game (continued)

Defective game discovered during play or after removed from play

1. If a defective game is discovered during the play of a game, immediately remove the game from play. The game may not be played out. Return the game within seven days to the distributor.

2. If a defective game is discovered after the game has been played, the defective game must be reported on a separate Schedule B2 as played.

In both instances, contact the Department of Revenue to report the defective games.

NOTE: Once a ticket has been sold from a game, the game is considered to be "in play".

Conducting a Paper Pull-Tab Game (continued)	
Flare may not be altered	An organization may not alter a flare to add a "last sale prize". The only changes that may be made to a flare are to post prizes awarded by crossing out redeemed prizes on the flare, to post a progressive jackpot amount, or to record the method of selecting a winning ticket for a paper pull-tab event game.
Posting of flare	The flare must be affixed to the paper pull-tab container containing the deal or prominently posted at the point of sale. The entire flare must be visible to players.
Mixing tickets before putting into play	• All of the paper pull-tabs must be randomly removed from the original containers and thoroughly mixed before a deal is offered for sale. • The container must be large enough to hold the entire deal at one time and may not be the original container in which the deal was received. • Tiered containers may not be used for the sale of paper pull-tab tickets.
Daily tracking of game; transfers not allowed	
Game tracking	• Complete the LG861 Site Control/Tracking and Auditing of Paper Pull-Tab Game to track all paper pull-tab games on a daily basis, unless a dispensing device or point-of-sale system is used. Count and verify starting cash. • Record the date the game is put into play and the date removed from play on the LG847 Current Site Inventory List.
Game transfer not allowed	Games in play may not be transferred from: • one site to another; • a bar to a booth operation—at a leased site; • a booth to a bar operation—at a leased site; • a bar operation to a paper pull-tab dispensing device—at a leased site; • a booth operation to a paper pull-tab dispensing device—at a leased site; or • a paper pull-tab dispensing device to a bar or booth operation—at any site.
Starting cash banks and drawers	
Cash bank/ drawer	A starting cash bank is gambling money placed in a cash drawer prior to the beginning of the game and is used to make change and pay prizes awarded. Most organizations use starting cash banks of $300 to $500 for each paper pull-tab game in play.
Point-of-sale system or paper pull-tab dispensing device	A separate cash drawer must be used for each paper pull-tab game except when using a point-of-sale system or paper pull-tab dispensing device. • If an organization uses a point-of-sale system, see the *Using a Point-of-Sale System* section in this chapter for information and requirements. • If an organization uses a paper pull-tab dispensing device, see the *Using a Paper Pull-Tab Dispensing Device* section in this chapter for information, restrictions, and requirements.
Business hours	
	Paper pull-tab tickets may only be sold and winning tickets redeemed at times when the premises is open for the conduct of its regular business. An organization determines the hours that it will conduct gambling within the regular business hours.

Conducting a Paper Pull-Tab Game (continued)

Selling the paper pull-tab tickets

Cash only

- Only cash, traveler's checks, money orders, and cashier's checks may be accepted for the purchase of a paper pull-tab.
- Credit may not be extended to a player.
- Checks, credit cards, or debit cards may not be accepted.

Maximum ticket price is $5 for each paper pull-tab ticket.

Age restrictions—Only persons 18 and over may participate as a paper pull-tab player.

Counting tickets—All paper pull-tab tickets sold must be hand counted. A scale may be used to determine the approximate number of tickets left in the box, but for all game buyouts, paper pull-tab tickets must be hand counted.

Insider information not allowed	A paper pull-tab seller may not provide any "insider" information to players that provides an unfair advantage related to the potential winnings from paper pull-tabs. If there is reason to believe that an organization or paper pull-tab seller has been or is providing insider information to players, the Gambling Control Board may require the organization to post major prizes and the names of major winners, and an organization may lose their gambling license or premises permit.
No assistance to players	Paper pull-tab sellers may not help a player open paper pull-tab tickets.
"Holding" or "freezing" not allowed	Paper pull-tab sellers may not "hold" or "freeze" a paper pull-tab game for players.
Ticket for last sale prize must be paid for	A last sale prize may not be deducted from the buyout amount. All tickets must be paid for, then the last ticket may be presented to collect or redeem the last sale prize.

Conducting a Paper Pull-Tab Game (continued)

Posting of prizes awarded

The posting of major paper pull-tab prizes is optional, although the Gambling Control Board has the authority to require it.

Organizations may post the major prizes awarded for all, some, or none of the games in play. If only some games are posted, clearly identify which games are posted and which are not. Include the organization's posting policies in the house rules.

Posting of major winners only informs a player of the number of major prize-winning paper pull-tab tickets that have been redeemed. It does not guarantee that all prizes that have not been posted still remain in the deal. For example, some paper pull-tab tickets may have been sold but not yet redeemed by players, and others may have been thrown away by mistake by players.

If posting, an organization is required to:

1. Post all major prizes. A major prize is defined as any prize that is at least 50 times the face value of a paper pull-tab in the deal.

   Example: $ .50 ticket x 50 = $25 prizes;

2. Post the information prominently at the point of sale; and

3. Post or mark off each major prize immediately upon awarding the prize.

Examples of where posted	**How posted**
On the flare	Mark or cross off the redeemed major prizes, being careful not to totally cover up the prize amounts.
On a sheet of paper	On a sheet of paper clearly identifying the games, list all the major prizes and then cross them off as they are redeemed.
On an erasable board	Copy the major prizes onto the board, and cross or erase them off as they are redeemed.
On a posting board	Write the major prizes on the board as they are redeemed.

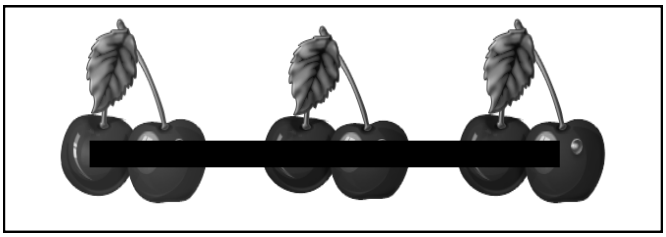
Conducting a Paper Pull-Tab Game (continued)

Verifying serial numbers

A paper pull-tab prize may not be paid unless the organization receives a winning paper pull-tab ticket. Before a prize may be paid, the paper pull-tab seller must examine winning tickets of all denominations to make sure the serial number on each ticket matches the serial number on the flare.

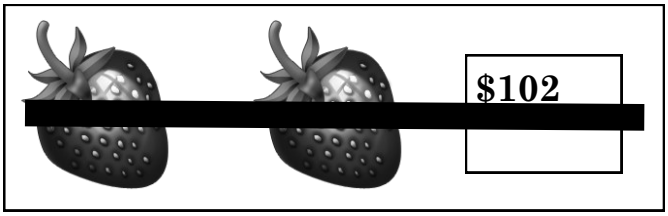
Unique symbol or printed security device

All winning paper pull-tab tickets must identify the winners through the use of a unique symbol or printed security device. A common method used by manufacturers to identify a winner is a straight colored line through the winning symbols.



Verifying winners $50 and greater

Winning paper pull-tab tickets with prizes $50 or more must use a second form of verification provided by the manufacturer to protect against counterfeiting. To comply with this requirement, manufacturers typically include the dollar amount of the winning ticket in the line of winning symbols



Conducting a Paper Pull-Tab Game (continued)

Prizes awarded

The highest denomination winner or possible combination of winners, including a last sale prize, for a single paper pull-tab ticket may not exceed:

- $599 for games with $2 and under tickets;
- $899 for games with $3 tickets;
- $1,199 for games with $4 tickets; and
- $1,499 for games with $5 tickets.

A "last sale prize" may be awarded for the last non-winning ticket purchased in a paper pull-tab game.

Prizes may not be awarded if paper pull-tabs are lost, marked, defaced, altered, or have left the premises.

Defacing winning tickets

The paper pull-tab seller must deface each winning ticket when it is redeemed.

Defacing means the paper pull-tab ticket is marked in some way so that it can be easily identified as a winning ticket for which a prize has been awarded. The defacing method must allow the paper pull-tab ticket symbols to remain visible and not affect the ticket count.

Methods of defacing a paper pull-tab ticket include:

- using a bingo dauber;
- writing the seller's initials or name across the ticket (not on the frame);
- using a stamp with the paper pull-tab seller's name;
- drawing across the ticket with a marker or pen; or
- punching a hole.

Tearing a paper pull-tab ticket is not considered defacing and is not allowed.

Handling counterfeit paper pull-tab tickets

If the organization discovers that it has received a counterfeit paper pull-tab ticket or that it awarded a prize based upon a counterfeit paper pull-tab, the gambling manager should follow these steps:

1. Review the prize receipt to see who signed it as the winner and which paper pull-tab seller signed and dated it.
2. Deliver the paper pull-tab ticket and prize receipt form to the local law enforcement agency and file a complaint against the alleged violator. Get a receipt from the law enforcement official.
3. Notify the Gambling Control Board of the counterfeit paper pull-tab ticket. Then, within 60 days, file a fund loss report with the Gambling Control Board using LG250 Fund Loss Request for Profit Carryover Adjustment (see Chapter 10).
4. Keep a copy of the paper pull-tab ticket, prize receipt, and complaint with the game records.
5. Report the counterfeit incident to the Department of Public Safety's Alcohol and Gambling Enforcement Division at 651-201-7500.

Conducting a Paper Pull-Tab Game (continued)

Using the prize receipt form

The paper pull-tab seller must complete a prize receipt form for each winning paper pull-tab ticket redeemed with a prize value of $100 or more and any "last sale prize" awarded with a value of $20 or more. Please note, an organization's House Rules may require a prize receipt for prizes less than $100 if an organization chooses.

PRIZE RECEIPT Complete in ink. Staple winning ticket, and winning seal, if any, to prize receipt.*		
Organization name	Date and time	Value of prize $
	Name of game	
	__ Bingo $100+ __ *Tipboard $100+ __ *Paper pull-tab $100+ __ Bingo alternative prize: $_____	__ Electronic device credits $600+ __ *Paddlewheel $100+ __ *Last sale prize $20 or more
Site location	Game serial number	
Received by: Name (print)		
Address		
City, state, zip		
Driver's license number or ID# from other picture identification		State
Winner's signature, in ink	Seller's signature, in ink	
PREPARED BY THE MINNESOTA GAMBLING CONTROL BOARD (LG0007 7/16)		

Complete in ink; signatures required

The prize receipt information must be printed in ink or scanned from an acceptable ID and permanently affixed to the prize receipt form. The signature of the winner and the signature of the organization employee or volunteer making the payment must be in ink. Scanned labels must be permanently adhered to the prize receipt. They may not be stapled or taped to the prize receipt.

Picture ID required

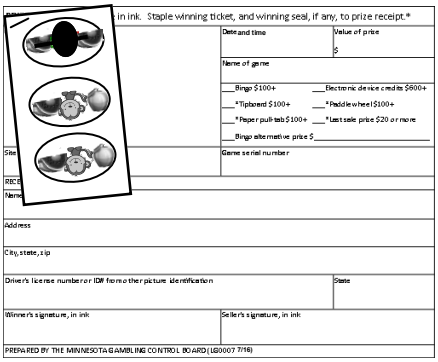
A valid driver's license, a U.S. military ID card, or another form of government-issued picture identification is required to complete the prize receipt. The form of picture ID must be recorded, including the driver's license number and state of registration or the form of other type of picture ID provided. A social security card does not meet this requirement.

If a winner does not have a picture ID, another player's ID may be used. That player's information, signature, and the winner's signature, must be included on the prize receipt form.

Until a player provides the necessary information to complete a prize receipt, the organization has no obligation to award the prize.

Conducting a Paper Pull-Tab Game (continued)

Attaching winning ticket (and seal tab, if any) to prize receipt


in ink. Staple winning ticket, and winning seal, if any, to prize receipt.*

Date and time	Value of prize $
Name of game	
___Bingo $100+ ___Electronic device credits $600+ ___*Tipboard $100+ ___*Paddlewheel $100+ ___*Paper pull-tab $100+ ___*Last sale prize $20 or more ___Bingo alternative prize $ ___	
Site	Game serial number
RECE	
Name	
Address	
City, state, zip	
Driver's license number or ID# from other picture identification	State
Winner's signature, in ink	Seller's signature, in ink
PREPARED BY THE MINNESOTA GAMBLING CONTROL BOARD (LB0007 7/16)	

A winning ticket (and seal tab, if any) must be stapled to the prize receipt.

The information below clarifies this requirement and provides recommendations on how to attach a winning ticket to the prize receipt so that closed games may be easily and accurately audited by an organization and the Gambling Control Board and other regulatory agencies.

Staple ticket to prize receipt	Staple the winning ticket to the front of the prize receipt in the upper left-hand corner so that the face of the winning ticket and the prize receipt information are visible. That allows more of the essential prize receipt information to be viewed without having to lift up the ticket.
Don't "double" staple	Do not "double staple" the prize receipt. For example, some organizations put a staple in the upper left-hand corner, but then also put another staple in the middle of the ticket, presumably to make absolutely certain that the ticket won't become separated from the prize receipt. However, this makes the game harder to audit as the extra staple must be removed to see all of the information on the prize receipt.
Don't fold prize receipts	Do not fold the prize receipts. Every folded prize receipt must be unfolded during an audit of that game. Do not fold the prize receipt around the winning ticket and then staple it. This makes games very difficult to audit because all the staples must be removed and the prize receipt unfolded before the auditor can view it.
Storing prize receipts and tickets	Store the prize receipts and winning tickets with the other remnants of the game in a secured area. For example, prize receipts for each game should not be stored in a separate file from the other closed game materials. When putting the closed game remnants together for storage, it's also good to have all prize receipts for that game paper-clipped or banded together. If the game came with preprinted prize receipts, keep the unused ones together and store them with the closed game materials. They may be useful when trying to figure out what caused a discrepancy. Store in an area not susceptible to flooding.

Conducting a Pull-Tab Game (continued)

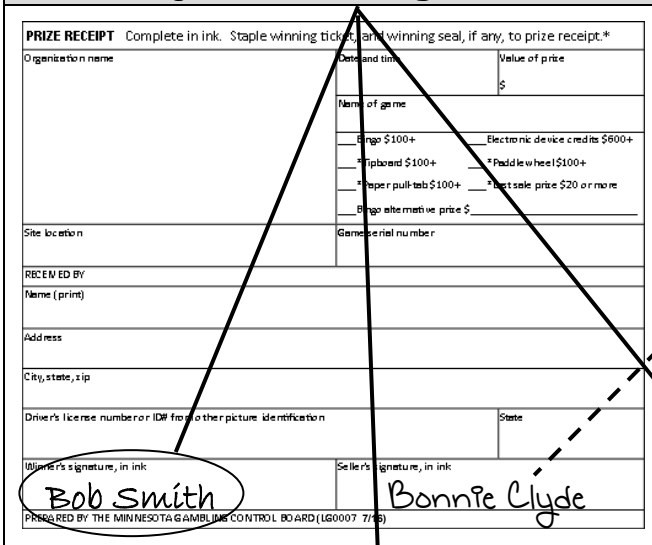
Detecting forged prize receipts

In many gambling fraud cases, forged prize receipts are a common way that sellers use to cover up their theft. When auditing a game, look for:

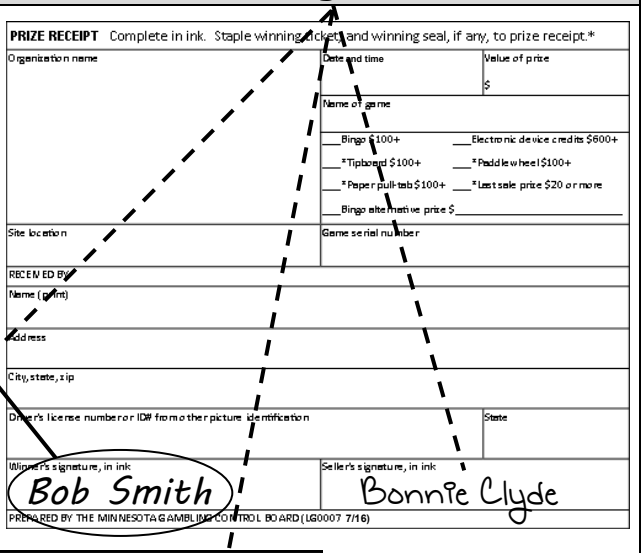
- a winner with different looking signatures on the prize receipts; or
- a winner with signatures that are similar to the writing style of the seller.

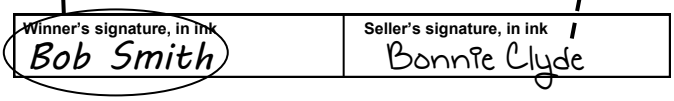
Contact your Compliance Specialist at the Gambling Control Board on how to report a game with forged prize receipts.

Questionable signatures



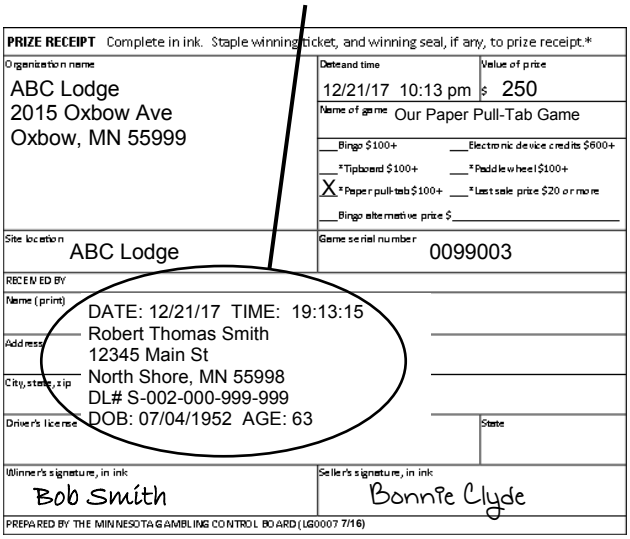
Valid signature



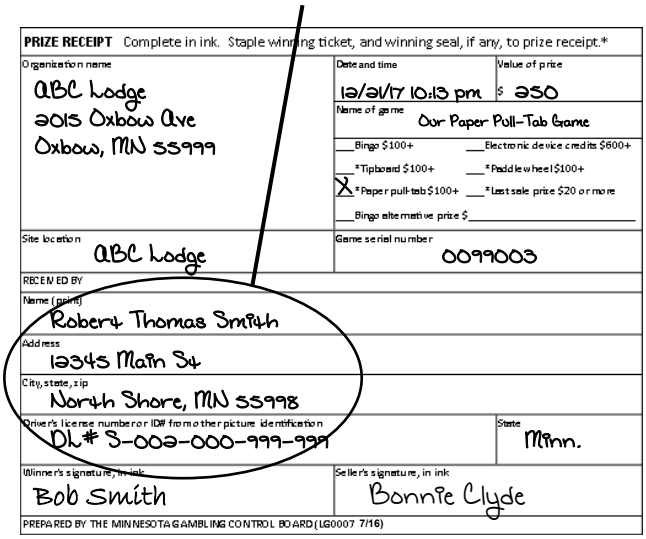


Look at prize receipts for the same winner. Paper pull-tab sellers may try to cover theft in another manner by writing the driver's license information on other prize receipts and then forging the prize receipt.

Scanned information



Written information



Conducting a Paper Pull-Tab Game (continued)

Closing a paper pull-tab game

When closing a game:

1. Remove all unsold paper pull-tab tickets from the container.
2. Count the cash in the game drawer and record on the LG861.
3. Separate the starting cash bank amount from the game proceeds.
4. Complete the LG861.
5. Enter the date the game was closed on the LG847 Current Site Inventory (column 7).
6. Deposit—On the LG861, the assigned person(s) must complete the *"Closing of Game and Deposit"* section.

Deposit information

Deposit and record the cash-on-hand amount, or secure the cash until it can be deposited. Deposit the gambling receipts into the gambling account **within four business days** of the close of the game.

On the deposit slip, list the following:

1. premises permit number
2. date of the deposit
3. serial number of each game
4. amount of actual cash deposited from each game

First National Bank
Deposit Slip

Date	**12/22/17**
99999-001	
700006	$350
TOTAL	$350

Conducting a Paper Pull-Tab Game (continued)

Auditing a paper pull-tab game

All paper pull-tab games must be audited, and the audit must include a review of all prize receipts. **The final audit of the game must be done by someone other than the seller or the person who prepared the deposit**.

Some organizations require sellers to count remaining unsold tickets and group them by lots of 25, 50, or 100. Although sellers may make a preliminary audit of their own games, they may not do the final audit.

Use page 2 of the LG861 to do the audit. Refer to the *Internal Operations* chapter for more detailed instructions on auditing games.

Cash shortage versus fund loss
If a shortage is discovered, refer to the *Internal Operations* chapter for information that explains the difference between a cash shortage and a fund loss.

Fund loss
If a fund loss is discovered:
1. Notify local law enforcement within five days of discovering the loss (within 24 hours if the game was played in a dispensing device), and notify the Gambling Control Board. Fund losses not reported will not be considered by the Board.
2. Within 60 days, provide the Gambling Control Board with documentation of reimbursement or a request for a profit carryover adjustment. This documentation must be provided to the Board within 60 days or the fund loss will not be considered by the Board.

Refer to the *Internal Operations and Oversight* chapter, Fund Loss section.

If paper pull-tab games (played or unplayed) are lost due to a disaster such as fire, flood, blizzard, tornado, or other catastrophic event, immediately contact the Department of Revenue at 651-297-1772 for instructions on how to report the lost games.

Closed game records and storage

Keep the following for closed games:
- all redeemed winning tickets
- all unsold tickets
- the flare
- the LG861
- the prize receipts

It is recommended that closed games be put in waterproof bags and stored in sturdy, stackable storage boxes. Do not store in an area susceptible to flooding.

On the outside of each box, write the following:
- month and year the games were closed;
- the serial numbers of each game stored in that box; and
- the month and year the tickets may be destroyed.

Games must be kept in a secured area for 3-1/2 years after the month in which the game receipts were reported on the LG100A.

More games can be stored in a smaller space by using storage boxes rather than the original game boxes.

Game records must be stored in a secured area in the state of Minnesota.

Common Problems and Possible Solutions

Employee training

Provide periodic training to employees/volunteers on the rules relating to the sale of paper pull-tabs. Listed below are common problems and suggested solutions.

Cash shortages

"Our paper pull-tab sellers are always cash short."

1. Conduct training sessions with employees/volunteers regarding methods and procedures for putting games in play, redeeming tickets, etc.
2. Review the LG861 Site Control/Tracking and Auditing of Paper Pull-Tab Game to determine where problems may be occurring.
3. Spot audit games before and after a seller's shift.
4. Limit the number of sellers.
5. Order games with the amount of the prize printed on the ticket.
6. Purchase games with the same-priced tickets.
7. Point out shortages to sellers, the lessor, etc., and explain reimbursement as required by statute.
8. Assign deals to each seller.
9. Install a paper pull-tab dispensing device.
10. Contact local law enforcement or the Department of Public Safety's Alcohol and Gambling Enforcement Division at 651-201-7500.
11. Refer to the *Internal Operations and Oversight* chapter for information on cash shortages.

Game buyouts

"Someone bought out a game, and a $200 winning ticket was missing."

- Posting is not required but if you do post, verify the accuracy of posted winners by comparing the major prize-winning paper pull-tabs for that game to the prizes posted on the flare or posting board. It is very important that the posting is accurate as this may affect the customer's decision on whether to buy out the game.
- Instruct sellers to verbally inform paper pull-tab customers who "buy out" a game that posting only shows the winning tickets that have been redeemed. Tickets may have been sold that haven't yet been opened or redeemed. These potential winning tickets are not posted until the prize has been paid.

Employees play

"Employees are buying paper pull-tabs at the site where they work."

- Review prize receipts for names of employees/volunteers, or forged or bogus names. Also look at dates and times on prize receipts.
- Inform gambling employees and volunteers of the statute (Minnesota Statutes, Section 349.181, subd. 3) that prohibits them from buying paper pull-tabs at the site where they sell paper pull-tabs.
- Post house rules prohibiting gambling employees/volunteers from buying paper pull-tabs at the premises.

MINNESOTA LAWFUL GAMBLING

LG861 Site Control/Tracking and Auditing of Paper Pull-Tab Game

- As part of the site inventory, this information is required daily to track and audit each paper pull-tab game in play.
- For paper pull-tab dispensing devices, use the LG286 Paper Pull-Tab Dispensing Device Game Receipts Tracking and the LG287 Paper Pull-Tab Dispensing Device Prize Bank Reconciliation.
- If a point-of-sale system is used with a single cash drawer for multiple paper pull-tab games, use LG283 Point-of-Sale System Cash Count Report.

GAME INFORMATION

Organization name: Oxbow Lions

Site name: ABC Lodge

Game name: Whirley Bird

Serial number: 549001

Date put in play: 10/3/17

Starting cash: $ 300

Signature of person putting game in play: Bill Bank

DAILY GAME BANK AUDIT (complete in ink)

Date	$ Cash in	Initials	Initials of all paper pull-tab sellers on this date	Funds added/ removed	$ Cash out	Initials	Notes
10/3/17	$300	BB	BB R.M.		$354	R.M.	
10/4/17	$354	BB	BB R.M.		$406	R.M.	
10/5/17	$406	BB	BB R.M. M.H		$599	MH	
10/6/17	$599	BB	BB R.M.		$575	R.M.	
10/7/17	$575	BB	BB R.M. M.H.		$689	MH	
10/8/17	$689	BB	BB R.M.		$774	R.M.	
10/9/17	$775	BB	R.M.		$899	R.M.	

Example

CLOSING OF GAME DEPOSIT

Total cash on hand $ 899

Minus start bank $ (300)
(include any funds added to bank that have not been removed)

Bank deposit $ 599

Signature **in ink** of person removing game from play:

Rose Marie

Date closed: 10/9/17

Signature **in ink** of person preparing/making deposit:

John Manager

Date: 10/9/17

Use page 1 daily to monitor the cash banks and to identify the paper pull-tab sellers for each deal in play. Page 1 also identifies the persons putting the deal in play, removing the deal from play, and preparing/making the deposit.

Use page 2 to audit the closed paper pull-tab game for information required by the Department of Revenue, and to perform random audits of closed games or detect errors in counting the game.

Game information
Complete "Game Information" section at the top of the page.

Putting the game into play - Immediately prior to placing the game into play, enter the following information:

- date put into play;
- starting cash;
- the person putting the game into play must sign his or her full name on the signature line (no initials).

Daily game bank audit

- At the beginning of the day a person must enter the date, the amount of cash in the cash drawer, and initial the form.
- At the end of the day a person must enter the date, the amount of cash in the cash drawer, and initial the form.
- Each person who sells paper pull-tabs must initial the form on the date that he or she sells paper pull-tabs, even if the same person also counts cash.
- Funds added/removed to a game bank must be entered on that date. Note source of funds added/destination of funds removed in the notes column.

Closing of game and deposit
Removing the game from play - The person closing the game must enter the date the game was removed from play, the total cash in hand, and sign his or her full name in ink on the signature line (no initials).

Deposit - The person preparing/making the deposit must determine the deposit amount, enter the date of the deposit, and sign his or her full name in ink on the signature line (no initials).

Audit of closed game
The person auditing the closed game must:

- complete the "Audit of Closed Game" section;
- enter his or her signature in ink; and
- date the form

Note: If you audit the game each day using your own form, the person performing the daily audit must initial your form.

Audit of Closed Game

# of winning Tickets		Winning prize amount		Total amount paid
164	@ $	2.00	=	$328
11	@ $	4.00	=	$44
1	@ $	25.00	=	$25
1	@ $	54.00	=	$54
1	@ $	58.00	=	$58
3	@ $	100.00	=	$300
4	@ $	102.00	=	$306
1	@ $	104.00	=	$104
3	@ $	106.00	=	$318
2	@ $	127.00	=	$254
1	@ $	150.00	=	$150
2	@ $	175.00	=	$175
2	@ $	200.00	=	$400
	@ $		=	
	@ $		=	
	@ $		=	
	@ $		=	
	@ $		=	
	@ $		=	
	@ $		=	
	@ $		=	

TOTAL PRIZES PAID $ 2,516

VALUE OF UNSOLD TICKETS $ 53

Signature in ink of person auditing closed game:

I. M. Countin

Date of audit: 10-12-17

Keep the LG861 with the closed game or with your organization's records for at least 3-1/2 years after the date the game was removed from play.

Example

Common Questions: Form LG861

Modifying the LG861	Q.	**My organization weighs the unsold tickets for the paper pull-tab games in play after each shift to determine how many tickets were sold. We also count the redeemed winning tickets and the cash. From this we can tell whether the paper pull-tab seller was short during that shift. May we make our own form that includes columns for this information along with all of the information required by the LG861 and use it instead of the Gambling Control Board's form?**
	A.	Yes. Be sure to include on your form space for all of the signatures and other information required by the Board's LG861 form.
Tracking payout percentages	Q.	**Because we audit our paper pull-tab games after each shift, we're able to calculate the average payout percentages for each of our paper pull-tab sellers. We found that one of our sellers consistently averages a 15% higher payout percentage than our other sellers. Are the players that buy during her shift just exceptionally lucky?**
	A.	Maybe. But it could also be that the seller is manipulating the operation of your games to obtain higher payouts for "select" customers or that the seller is buying games out when they are especially profitable. For example, rather than close a game that has $1,000 in prizes left but only $800 in unsold tickets, the seller might inform a friend of the situation and sell the game out instead. Or, the seller might quickly put new games into play rather than allow players to buy from games for which the odds are not in the player's favor.
Shortages 0%—why is the LG861 required	Q.	**We conduct paper pull-tabs at a bar-op and the lessor reimburses us for all cash shortages. Why do we need to complete the game tracking portion of the LG861?**
	A.	The LG861 helps to identify temporary theft. Occasionally we find situations in which a bar owner "borrows" money from the paper pull-tab cash drawers and then pays back only the amount needed to cover the deposit for the most recently closed game. This temporary theft often turns into a significant theft before it is discovered. Requiring the sellers to record the amount of cash in each paper pull-tab drawer on a daily basis can minimize this type of theft.
Completion of LG861 by lessor and bartenders	Q.	**We have no control over the lessor and bartenders who sell paper pull-tabs at our site because they aren't our employees. We can't get the lessor to complete any forms. They say that they don't have time to do them. What can we do?**
	A.	First, by law any person, paid or not, who sells paper pull-tabs for your organization is acting as an agent/employee for your organization. That makes your organization their boss—at least as far as selling paper pull-tabs is concerned—and your organization has every right to insist that the required forms are properly completed. Ultimately your organization is responsible for ensuring completion of the required forms. Because missing or incomplete game tracking records can result in citations, fines, or other sanctions, it may be better for your organization to discontinue gambling at a premises where employees refuse to do the required paperwork.

Common Questions: Form LG861 (continued)

Information from prize receipts	Q.	**The information contained on the LG861 may be obtained from prize receipts or the Schedule B2. Why do we have to complete the LG861?**
	A.	The LG861 gives you information at a glance on a daily basis, not when it is too late to detect a potential theft. Insurance companies are more likely to pay on a claim if your organization keeps carefully documented records on its assets.
Breakdown of tickets	Q.	**Why do we have to do a breakdown of redeemed tickets for our game audit and have someone sign for it? We just lump all the winners together and do the count.**
	A.	Doing a game audit with a breakdown of the winning tickets is more accurate, makes it easier to detect errors in the audit, and can prevent theft. This method is also used by the Gambling Control Board, by accountants when doing a required audit, and by the Department of Revenue. Having the person verify the audit with their signature increases accountability to your organization.
LG861 not filled out completely	Q.	**We play a large number of games each month. What happens if the LG861 is not filled out completely for a few games and it is noted in our compliance review? Human errors do occur.**
	A.	Your organization will be advised to take corrective action within 60 days as is the normal process in a compliance review. Repeat violations could result in a citation or CRG referral.
Storing the LG861	Q.	**Where do we keep the completed LG861?**
	A.	Keep the completed form with your organization's records or with the closed game.

Other Paper Pull-Tab Games

Cumulative paper pull-tab game

What is it?	A "cumulative paper pull-tab game" is played with two or more deals with the same form number but containing a unique serial number for each deal. A portion of each deal's predetermined prize payout is designated to a cumulative prize pool. The game is packaged as a cumulative game by the manufacturer.
What are the conduct requirements?	In addition to general requirements and restrictions for the conduct of a paper pull-tab game, the following apply to the conduct of a cumulative paper pull-tab game. • The game may only be played with deals having the same form number from the same family and manufacturer. • The organization may have more than one deal in play at the same time but may not commingle deals. • The prize pool board must be posted until the game is completed or discontinued. • When a seal winner is determined for a deal, the seller must open or uncover the seal on the prize pool board and award the prize. • The winning ticket and the winning seal tab, if any, from the flare must be stapled to the prize receipt form.

Multiple chance paper pull-tab game

What is it?	A multiple chance game is a pull-tab game in which a player may exchange a qualifying winning ticket for a chance to win a prize of lesser, equal, or greater value than the originally purchased ticket.
What are the conduct requirements?	In addition to the general requirements and restrictions for the operation of a paper pull-tab game, the following apply to the conduct of a multiple chance paper pull-tab game. • Chance ticket displays must be prominently visible when the game is in play. • Sellers must not assist players in selecting or opening chance tickets from the display. • Sellers (and not players) must remove the player-selected chance ticket from the display to give to the player to open.

Multiple seal paper pull-tab game

What is it?	A "multiple seal paper pull-tab game" is a single paper pull-tab deal in which select tickets are redeemed by players for a predetermined prize amount under a seal number matching the ticket presented by the player.
What are the conduct requirements?	In addition to the general requirements and restrictions for the operation of a paper pull-tab game, the following apply to the conduct of a multiple seal paper pull-tab game. • When a ticket with a seal number is presented to a seller, the seller must open or uncover the seal (on the flare) as designated on the ticket and award the prize. • The winning ticket must be defaced and stapled to the prize receipt form with the winning seal tab. If the flare has a latex-type seal (scratch off), then there is no seal tab to be attached to the prize receipt. • When the game is closed, all unclaimed and unsold seals must remain sealed or covered.

Other Paper Pull-Tab Games

Progressive paper pull-tab game

What is it?	A "progressive paper pull-tab game" is a game that has a portion of its predetermined prize payout designated to one progressive jackpot prize, and the jackpot prize increases from one deal to the next until the jackpot prize is won or the predetermined jackpot amount printed on the flare by the manufacturer is reached. For information on the conduct of this game, refer to Minnesota Rules, Part 7861.0280, subpart 6, Operation of Progressive Paper Pull-Tab Game. Or contact your Compliance Specialist at the Gambling Control Board.

Paper pull-tab event game

What is it?	An "event game" is a single paper pull-tab game in which certain prizes are determined by: • selecting a bingo number during a bingo game; • opening or uncovering a seal on the flare; • the spin of a paddlewheel; or • another alternative method approved by the Gambling Control Board. **The game may not be based on the outcome of athletic or sporting events.** The manufacturer will include the method of selecting the winning ticket with the packaging of each game.
When may they be conducted?	Paper pull-tab event games, which usually contain a small number of tickets, may be conducted as part of your regular paper pull-tab operations. Some organizations conduct a paper pull-tab event game during a bar bingo occasion. A special license or permit is not required.
What are the conduct requirements?	The general requirements and restrictions for the conduct of a paper pull-tab game apply to a paper pull-tab event game along with the following: • The method of selecting the winning ticket(s) is provided on the flare. If the manufacturer provides on the flare more than one method of selecting the winning ticket(s), the organization must determine the method to be used and record that method on the flare prior to making the game available for play. • The organization must prominently post the flare prior to the sale of any tickets. • A player with a potential winning (hold) ticket is not required to be in attendance to win and must be given a receipt by the seller for notification purposes if the ticket is selected as a winner. • If the hold ticket is selected as a winning ticket, the organization must notify the player within two business days of selecting the winning ticket. • The defaced winning ticket must be stapled to the prize receipt form with the winning seal tab. If the flare has a latex-type seal (scratch off), then there is no seal tab to be attached to the prize receipt.
Reporting a closed game	Regardless of how the winner is determined (selecting a bingo number, opening a seal, or spinning a paddlewheel), a paper pull-tab event game is reported as a paper pull-tab game on the Schedule B2.

Using a Paper Pull-Tab Dispensing Device

Paper pull-tabs may be dispensed from devices called paper pull-tab dispensing devices. These devices must be purchased or leased from a distributor licensed by the Gambling Control Board. The use of a paper pull-tab dispensing device is optional.

The conduct of a paper pull-tab game using a paper pull-tab dispensing device is essentially the same as when paper pull-tabs are sold from a paper pull-tab receptacle, except that gambling employees do not dispense (sell) the paper pull-tab tickets. However, additional restrictions do exist.

The following information covers the restrictions and requirements when using a paper pull-tab dispensing device.

Purchasing or leasing a dispensing device

Paper pull-tab dispensing devices may only be purchased or leased from a licensed distributor. Keep a copy of the lease or sales agreement at the premises and in the organization's records.

Location of paper pull-tab dispensing devices

An organization may install and use dispensing devices if the permitted premises:

- has a valid license for on-sale intoxicating liquor or 3.2% malt beverages; or
- has a valid license for off-sale intoxicating liquor, excluding drugstores and general food stores licensed under Minnesota Statutes, Section 340A.405, subdivision 1 (may not be a convenience store); or
- is where bingo is conducted and admission is restricted to persons 18 years or older.

No more than three devices may be installed at any permitted premises by all organizations conducting paper pull-tabs at the site.

Paper pull-tab dispensing device(s):

- must be in full view of an organization employee; and
- may not be located in a hallway or restroom.

Suggestion: Make sure the dispensing device is well lighted and easily seen by customers.

Putting a paper pull-tab game into play

Placing deal into device	Randomly place the entire deal of paper pull-tabs into one or more columns of the dispensing device at the same time. If tickets were placed into two or more columns and tickets remain in only one column, the tickets may continue to be sold without further splitting into multiple columns. Games with a "last sale prize" or "free plays" may not be sold from a paper pull-tab dispensing device.
Cash banks	• A cash bank is needed for prize payouts. The lessor may provide the cash bank. • Separate cash banks for each game in play are not required for dispensing devices.
Posting information	• Be sure the flare is affixed to the dispensing device or posted near it in a manner that allows the flare to be clearly identified with the deal in play. • House rules must be posted near the dispensing device. • Post the problem gambling helpline number on the front of each dispensing device. • Posting of winning prizes is optional.
Players	Only persons 18 and over may participate as a player.

Using a Paper Pull-Tab Dispensing Device (continued)

Access

Complete the LG282 Paper Pull-Tab Dispensing Device Access Log each time anyone enters the dispensing device.

- Record the date and purpose of entry.
- If any cash is removed, then all of the cash must be removed.
- Keep the current access log inside the dispensing device.
- Keep the completed access logs in a secured area for at least 3-1/2 years.

The dispensing device must be inoperable (turned off) whenever an employee is not present to redeem a winning paper pull-tab. Be sure the lessor prohibits people from tampering with the dispensing device.

Security—case studies

If a paper pull-tab dispensing device is used, it is suggested that the cash be removed from the devices on a frequent basis. In several burglaries, the doors on the devices were pried open and the cash removed.

In another case, security cameras and an alarm system were in place. But, since the perpetrators were wearing masks and dark clothing, they were unidentifiable on the camera system. The perpetrators were in and out of the sites in less than four minutes and managed to break into two safes in separate areas of the premises.

No matter how good security is, a fund loss can still occur. So what can an organization do to keep losses to a minimum? Keep less money at the site, check the security of the organization's assets, and remind sellers to take extra precautions in what they tell customers or allow customers to see. For example, don't let customers see full cash drawers or tell customers that the money won't be picked up for a few days. Change the routine. Don't always pick up money and go to the bank at the same time or day of the week. Be aware of personal safety. When possible, be escorted to the bank by local law enforcement officials.

Keys

Organizations are responsible for all keys to the dispensing device.

- The exterior door and interior compartments (for example, paper pull-tabs, cash, electronics) may have up to four keys.
- Use the LG281 Key Log so that persons who currently have possession of the dispensing device keys can be identified.
- If a key is lost or stolen, do not make duplicate keys. The distributor or manufacturer must replace the lock to that compartment.
- Keys to the cash compartment must not be assigned to the lessor or lessor's employees unless:
  - the device has a separate locked cash box within the cash compartment, **AND**
  - the lessor or lessor's employees need the key to remove and secure the cash box at the close of business for the day.
- Keys to the cash box may not be assigned to a lessor or lessor's employees.

Storage of unplayed or played games

Unplayed or played paper pull-tab games may not be stored inside a dispensing device. However, games may be securely stored in the bottom of a paper pull-tab dispensing device stand, provided the cabinet is locked.

Using a Paper Pull-Tab Dispensing Device (continued)

Malfunctions

One game	If the dispensing device contains only one game and more than one column is used, the paper pull-tab dispensing device must become inoperable when a malfunction occurs in one of the columns. The game may resume when the malfunction has been cleared.
More than one game	If the dispensing device contains more than one game and a malfunction occurs in a column, then all columns containing paper pull-tabs for that one game must become inoperable until the malfunction has been cleared.
Cash shortages	See *Cash shortages* below.
Policies	Establish policies that state how malfunctions are handled. All employees should understand the policy so they can explain to a player how they will receive their tickets or reimbursement if the device doesn't dispense the correct amount of tickets.

Cash shortages

An organization and the lessor are both responsible for cash shortages relating to a paper pull-tab dispensing device, according to the following:

- If the shortages are in the cash bank used to redeem winning tickets, then the lessor is responsible.
- If the shortages are caused by malfunctions of the device (when the cash in the device does not match the number of tickets dispensed), then the organization is responsible.

Fund loss

If a fund loss is discovered, notify local law enforcement within 24 hours of the discovery and notify the Gambling Control Board. Within 60 days, file a fund loss report with the Gambling Control Board.

Refer to the *Internal Operations and Oversight* chapter for instructions.

Using a Paper Pull-Tab Dispensing Device (continued)

Maintaining paper pull-tab dispensing device

To prevent potential dispensing problems, be sure that any maintenance is performed by the distributor, manufacturer, or your organization.

If the paper pull-tab dispensing device dispenses too many tickets or jams, contact the distributor to make an adjustment to the paper pull-tab dispensing device.

In the event of a catastrophic failure, prior Gambling Control Board approval is needed to clear the microchip or meters. Contact the Gambling Control Board at 651-539-1900 and ask to speak to an investigator.

Optional—commingled games in dispensing devices (requirements)

Putting commingled games into play

Games with the same name, form number, price per ticket, prizes, and ticket count can be physically commingled in the same columns. All flares for games in the dispensing devices must be posted. NOTE: Cumulative paper pull-tab games may not be commingled.

A commingled deal is when two or more deals of paper pull-tabs are combined and sold from a paper pull-tab dispensing device. Using commingled deals of paper pull-tabs is not required.

Organizations must clearly identify any commingled games and post flares for each deal in a commingled game. The manufacturer's serial and part (form) numbers and bar code must be affixed to each flare. The commingled paper pull-tab deals must be identical to the:

1. type of game, ticket, color, form number, and number of paper pull-tabs per game;
2. amount and denomination of prizes; and
3. price per paper pull-tab ticket.

Audit games at month-end

At the end of each month, all commingled games in play must be audited. This is done for the purpose of closing out games that are sold out, removing flares, and reporting the sold out games on the Schedule B2.

1. To conduct the audit, remove the commingled deals from play and separate each game (tickets) by serial number.
2. Games which do not have any remaining paper pull-tab tickets must be reported as a closed game on the Schedule B2 in the same month's tax return. Keep the flare, prize receipts, and all winning and defective tickets from the closed game in a secured area for at least 3-1/2 years.
3. The remainder of the commingled deals may be returned to play once the month-end audit is completed.

The Board may prohibit an organization from commingling deals if the organization cannot account for the actual cash profit from each commingled deal.

Using a Point-of-Sale System

Point-of-sale systems may be used in the conduct of paper pull-tabs. They may be purchased from any source. The use of a point-of-sale system is optional.

The point-of-sale system used must meet standards established by Gambling Control Board rule (7861.0280, subparts 9 and 10). Paper pull-tab sellers must use the appropriate procedures and forms for documenting sales and reporting cash discrepancies.

The next several pages in this section cover the restrictions and requirements when using a point-of-sale system in the conduct of paper pull-tabs.

Using a Point-of-Sale System (continued)

Point-of-sale systems are not defined as gambling equipment, and their use is optional.

Point-of-sale system requirements

The point-of-sale system must:

- preserve all existing data whenever electrical power to the point-of-sale system is interrupted;
- have at least one keyed lock with a multiple function position capable of restricting access to accounting and auditing functions;
- have a switch/lock that allows the point-of-sale system to operate only when a unique identification code has been entered;
- create a paper or magnetic media duplicate transaction journal following each transaction;
- separately record all sales and prize payouts for each game in play;
- accept a game's serial number and ticket price;
- produce a print out of sales and prizes paid out for each game in play at any time; and
- print out a final game record and delete the game information from its transaction records after a game is closed.

This is a partial listing of point-of-sale system requirements. For complete information, refer to Minnesota Rules, part 7861.0280, subparts 9 and 10.

Required security precautions

If a point-of-sale system is used, your organization must:

- use the point-of-sale system exclusively for lawful gambling;
- assign a unique identification code to each employee or volunteer authorized to sell and redeem paper pull-tabs; and
- have sole responsibility for all keys used to operate the point-of-sale system.

Sales information required

Before placing a deal into play, the following information must be entered into the point-of-sale system:

1. serial number of the game; and
2. the ticket price which must be identical to the ticket price on the flare.

For each sale of paper pull-tabs, the following must be recorded by the point-of-sale system:

- date of the sale;
- operator's unique identification code;
- serial number of the game;
- quantity of paper pull-tab tickets purchased; and
- ticket price.

A gambling employee or volunteer who sells paper pull-tab tickets must enter:

- the key on the register that corresponds to the game from which the paper pull-tab ticket is purchased;
- the number of paper pull-tab tickets purchased; and
- the dollar value of currency given by the player.

Using a Point-of-Sale System (continued)

Redeeming winning tickets—information required

For each redeemed winning paper pull-tab ticket, the employee or volunteer must record in the point-of-sale system:

- the date of the prize payout;
- the operator's unique identification code;
- the serial number of the winning paper pull-tab; and
- the amount of the prize payout.

The employee or volunteer also must:

- use the point-of-sale system key that corresponds to the game for that ticket;
- enter the prize payout amount; and
- complete a prize receipt form for any winning paper pull-tab ticket redeemed with a prize value of $100 or more and any "last sale prize" awarded with a value of $20 or more.

Playbacks—A customer may choose to receive a paper pull-tab ticket rather than cash in exchange for a winning paper pull-tab ticket. The transaction must be recorded as both a redeemed paper pull-tab and a paper pull-tab sale, so that all transactions are accurately accounted for when using a point-of-sale system.

End-of-shift cash count

At the end of each work period, verify the cash in the point-of-sale system using the LG283 Point of Sale System Cash Count Report.

If the cash amount does not reconcile to the point-of-sale system totals for each game in play, an LG284 Point of Sale System Discrepancy Report must be completed. Review these forms periodically to look for a pattern of fund losses.

Month-end audit and reconciliation required

On the last day of each month an audit of all paper pull-tab games in play must be completed. Reconcile the results to the point-of-sale system bank. Record the information on the LG285 Point of Sale System Monthly Reconciliation Report.

- Determine the net receipts for the games in play based on a count of the unsold and redeemed winning tickets.
- Compare the net receipts to the cash in the drawer. If the comparison shows a cash variance, apply the cash long or short to the last game closed for the month on the Schedule B2. Attach a copy of the Schedule B2 to the LG285.

Keep point-of-sale system forms

To verify cash and reconcile games in play when using a point-of-sale system, use the forms included in this section. These forms do not have to be sent to the Gambling Control Board or the Department of Revenue. However, an organization must keep these completed forms in a secured area for at least 3-1/2 years.

Records and Reports

Required forms to use

Complete and keep the following required forms:

- LG844 Perpetual Inventory/Paper Pull-Tabs, Tipboards, and/or Paddletickets
- LG847 Current Site Inventory List
- LG846 Physical Inventory/Paper Pull-Tabs, Tipboards, and/or Paddletickets Monthly Report
- LG861 Site Control/Tracking and Auditing of Paper Pull-Tab Game
- LG281 Key Log (for paper pull-tab dispensing devices)
- LG282 Paper Pull-Tab Dispensing Device Access Log
- LG286 Paper Pull-Tab Dispensing Device Game Receipts Tracking
- LG287 Paper Pull-Tab Dispensing Device Cash Bank Reconciliation
- LG283 Point-of-Sale System Cash Count Report
- LG284 Point-of-Sale System Discrepancy Report
- LG285 Point-of-Sale System Monthly Reconciliation Report

The above forms with instructions are available at www.mn.gov/gcb or from the Gambling Control Board.

Monthly reporting

Each month, an organization must report paper pull-tab gross receipts, prizes, net receipts, and cash variances to the Gambling Control Board. Organizations must submit this information in an electronic file which includes the LG100A Lawful Gambling Receipts and Expenses by Site.

Forms and instructions are available at www.mn.gov/gcb (under GCB Monthly Reports) or from the Gambling Control Board.

In addition, each month an organization must submit a G1 Lawful Gambling Monthly Tax Return to the Department of Revenue, reporting paper pull-tab gross receipts, prizes, net receipts, and cash variances.

Forms and instructions are available from the Department of Revenue.

Keep your games and records

Keep all winning, unsold (unopened), and defective paper pull-tab tickets, and records in a secured area for at least 3-1/2 years after the month in which the game was reported as closed on the Schedule B2. Do not store in an area susceptible to flooding.

Do not open any unsold or defective paper pull-tabs.

Records and Reports: Defective Games

Report defective game as played game on B2

Report the defective game as a played game on a separate Schedule B2. Attach an explanation of the game defect. If the defect was extra winners, list the actual prizes awarded including any "extra" prizes, even though the amount paid exceeds the ideal prizes for the game.

Questions?

Refer to the Minnesota Lawful Gambling Tax Forms and Instructions, or contact the Department of Revenue's Lawful Gambling Tax Unit at 651-297-1772 or at lawfulgambling.taxes@state.mn.us.

Reporting credits or refunds on the LG100A

Refunds are reported as follows:

Credit invoice (memo) from distributor

Cost and sales tax for returned games: Include the amount as a negative amount on the LG100A, Line 11 (net credit against purchases for the month).

Refund check from distributor or manufacturer

If you are unsure how to account for a refund check, contact your Compliance Specialist at the Gambling Control Board.

Reporting Negative Net Receipts

The question is often asked, *"How do we report and replenish the starting cash for games that have negative net receipts?"* The following section outlines the correct way to report a game with negative net receipts (closed games with a loss) and how to replenish the starting cash bank.

Negative net receipts means that more money has been paid out in prizes than was received from the sale of tickets (gross receipts). Your organization may decide to remove the game from play, even though it has a loss, because players no longer want to buy tickets from that game.

Negative net receipts

Example

A game is removed from play with unsold tickets remaining.

$ 2,000	Ideal gross receipts (if all tickets were sold)
- 500	Unsold tickets
$ 1,500	Actual gross receipts

Audit the game and count all the redeemed winning tickets.

$ 1,700	Actual value of prizes paid (total value)

In this case, the organization awarded more for prizes than what it made in gross receipts, resulting in negative net receipts.

$ 1,500	Actual gross receipts
- 1,700	Actual value of prizes paid
$ (200)	Negative net receipts

Report ($200) under "Net receipts" — on Schedule B2.

Negative cash in hand

Example

A game is begun with a $300 starting cash bank. When the game is removed from play only $50 remains in the cash drawer.

$ 50	Actual cash left in drawer
- 300	Starting cash bank
$ (250)	Negative cash in hand

Report $(250) under "Cash in hand" — on Schedule B2.

Computing cash long/short

Example

The difference between net receipts and cash in hand is the amount reported as cash long or cash short.

$ (250)	Cash in hand
- (200)	Net receipts
$ (50)	Cash short

The organization has $50 less (cash in hand) than it should have, based on the count of the tickets (net receipts)—so it is $50 cash short.

Report $(50) under "Cash long/(short)" — on Schedule B2.

The following pages contain examples of games with negative net receipts and show how these games should be reported.

Reporting Negative Net Receipts (continued)

Example 1: No cash long or short

The following amounts apply to this example:

$2,800 = Ideal gross receipts
$2,240 = Ideal prizes
$1,094 = Total value of unsold tickets
$1,706 = Gross receipts (ideal gross minus total unsold)
$2,068 = Total value of prizes paid

- A paper pull-tab deal, manufacturer ID XZ, form number 456-AB, serial #178327, was put into play.
- The starting game cash bank is $500.
- The deal is removed from play with $138 total cash remaining in the cash drawer.

1. To determine the amount of cash in hand, subtract the starting cash bank amount from the cash remaining at the end of the game.

$	138	cash remaining at end of game
-	500	starting cash bank
$	(362)	cash in hand

2. Report a negative ($362) in the Cash in Hand column on the Schedule B2.

3. To determine the cash long or short, if any, subtract the net receipts from the cash in hand.

$	(362)	cash in hand
	(362)	net receipts
$	0	no cash long or short

4. Report the game on Schedule B2 as follows:

Ideal Gross Receipts	Ideal Prizes	Value of Unsold Tickets	Gross Receipts	Value of Prizes Paid	Net Receipts	Cash in Hand	Cash Long/ (Short)
2,800	2,240	1,094	1,706	2,068	(362)	(362)	0

5. To replenish the starting cash bank to $500 for the next game, write a $362 check from the gambling account. In the memo field, write *"Replenish game bank"* and the game's serial number.

Oxbow Lions Gambling Account 4170
August 28, 2017

Pay to the order of **Cash/Game Bank** **$362.00**

Three Hundred Sixty-Two and no/100 **Dollars**

George Manager

Memo **replenish game bank serial #178327**

Morgan Rothchild

Reporting Negative Net Receipts (continued)

Example 2: Cash long

The following amounts apply to this example:

$2,800 = Ideal gross receipts
$2,240 = Ideal prizes
$1,094 = Total value of unsold tickets
$1,706 = Gross receipts (ideal gross minus total unsold)
$2,068 = Total value of prizes paid

- A paper pull-tab deal, manufacturer ID XZ, form number 456-AB, serial #178327, was put into play.
- The starting game cash bank is $500.
- The deal is removed from play with $152 total cash remaining in the cash drawer.

1. To determine the amount of cash in hand, subtract the starting cash bank amount from the cash remaining at the end of the game.

$	152	cash remaining at end of game
-	500	starting cash bank
$	(348)	cash in hand

2. Report a negative ($348) in Cash in Hand column on the Schedule B2.

3. To determine the cash long or short, if any, subtract the net receipts from the cash in hand.

$	(348)	cash in hand
-	(362)	net receipts
$	14	cash long

4. Report the game on Schedule B2 as follows:

Ideal Gross Receipts	Ideal Prizes	Value of Unsold Tickets	Gross Receipts	Value of Prizes Paid	Net Receipts	Cash in Hand	Cash Long/ (Short)
2,800	2,240	1,094	1,706	2,068	(362)	(348)	14

5. To replenish the starting cash bank to $500 for the next game, write a $348 check from the gambling account. In the memo field, write *"Replenish game bank"* and the game's serial number.

Oxbow Lions Gambling Account 4170
August 28, 2017

Pay to the order of **Cash/Game Bank** **$348.00**

Three Hundred Forty Eight and no/100 **Dollars**

George Manager

Memo **replenish game bank serial #178327**

Morgan Rothchild

Reporting Negative Net Receipts (continued)

Example 3: Cash short

The following amounts apply to this example:

$2,800 = Ideal gross receipts
$2,240 = Ideal prizes
$1,094 = Total value of unsold tickets
$1,706 = Gross receipts (ideal gross minus total unsold)
$2,068 = Total value of prizes paid

- A paper pull-tab deal, manufacturer ID XZ, form number 456-AB, serial #178327, was put into play.
- The starting game cash bank is $500.
- The deal is removed from play with $111 total cash remaining in the cash drawer.

1. To determine the amount of cash in hand, subtract the starting cash bank amount from the cash remaining at the end of the game.

$	111	cash remaining at end of game
-	500	starting cash bank
$	(389)	cash in hand

2. Report a negative ($389) in the Cash in Hand column on the Schedule B2.

3. To determine the cash long or short, if any, subtract the net receipts from the cash in hand.

$	(389)	cash in hand
-	(362)	net receipts
$	(27)	cash short

4. Report the game on Schedule B2 as follows:

Ideal Gross Receipts	Ideal Prizes	Value of Unsold Tickets	Gross Receipts	Value of Prizes Paid	Net Receipts	Cash in Hand	Cash Long/ (Short)
2,800	2,240	1,094	1,706	2,068	(362)	(389)	(27)

5. To replenish the starting cash bank to $500 for the next game, write a $389 check from the gambling account. In the memo field, write *"Replenish game bank"* and the game's serial number.

Oxbow Lions Gambling Account 4170
August 28, 2017

Pay to the order of **Cash/Game Bank** **$389.00**

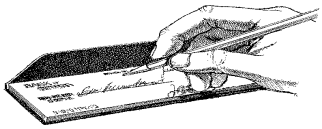
Three Hundred Eighty Nine and no/100 **Dollars**

George Manager

Memo **replenish game bank serial #178327**

Morgan Rothchild

Replenishing Cash Banks



Not reported on LG100A

Q. **Where on the LG100A Lawful Gambling Receipts and Expenses by Site do we list checks written to replenish starting cash banks?**

A. Checks written to replenish starting cash banks are not reported on the LG100A as expenditures. Replenishing cash banks is simply moving money from the gambling checking account to the cash game bank.

Membership approval not required

Q. **Do checks written to replenish starting cash banks require prior membership approval?**

A. No. Checks written to replenish starting cash banks are not considered expenditures. They are simply a conversion of an asset from one form (gambling bank account) to another (starting cash bank at site).

Unreimbursed starting cash banks

Q. **For a played game with a loss, how do we report the game bank that has not been replenished by the end of the month?**

A. Report the amount of the loss not yet replenished on LG100A, Line 26 (unreimbursed starting cash banks).

Gambling record information

Q. **How should our gambling records show the checks that are written to replenish starting cash banks?**

A. List the game serial number with the negative cash in hand in the memo section of the check and in the gambling check payments journal. The check can then be tracked to the game that lost money.