

IMPORTANT NOTICE!

40% Limit on Card-minding Devices

Recent inspections of various Charitable Bingo halls throughout the state of Texas have uncovered a number of instances where halls were exceeding the 40% limit on card-minding devices.

Specifically, the Bingo Enabling Act, Chapter 2001, Occupations Code, §2001.409(b) states:

“ Not more than 40 percent of the individuals attending a bingo occasion, based on the average of two previously submitted quarterly reports, may use electronic or mechanical card-minding devices. ”

Violations of this provision of the Bingo Enabling Act may subject your license to disciplinary actions including, but not limited to, the revocation or denial of your license.

To avoid exceeding the 40% limit, calculate the average attendance from your organization's last two quarterly reports and multiply the result by .40. The resulting figure is the number of individuals allowed to utilize card-minding devices at your organization's bingo occasions.

The Charitable Bingo Division may seek appropriate enforcement action against any licensee found in violation of this provision.

If you have any questions or need any assistance, please do not hesitate to contact the Audit Services Section of the Charitable Bingo Division at 1-800-BINGO-77.



Tips from the IRS on Reporting Bingo Income on Form 990

- Exempt organizations with gross receipts over \$25,000 are required to file *Form 990, Return of Organization Exempt from Income Tax*, unless your organization has received an exclusion from filing from the IRS.
- Gross revenue and expenses from bingo are reported on *Form 990*, Part I, Line 9, “*Special events and activities.*”
- The bingo revenue reported on *Form 990*, Part I, Line 9a, “*Gross revenue...*” should be the same as the combined gross receipts on Line 6, “*Gross receipts*” on the *Texas Bingo Conductor’s Quarterly Report*.
- Expenses reported on *Form 990*, Part I, Line 9b, “*Less: direct expenses...*” should equal the amounts entered on Line 24, *Total Expenses And Proceeds Distributed*, less the amounts entered on Line 18, “*Charitable distributions*” on the *Texas Bingo Conductor’s Quarterly Reports* for all quarterly reports that should be included in the *Form 990* reporting period.
- Funds transferred from your bingo account to your operating account are not considered charitable contributions by the IRS.
- Your bingo operating account should be reflected as an asset on *Form 990, Part IV, Balance Sheets*.

When reporting charitable distributions on Form 990 did you know?

- An exempt organization’s charitable contributions to a charitable organization, such as to a hospital or church, are reported on Part II, Line 22, “*Grants and allocations.*”
- An exempt organization’s charitable contributions to an individual are reported on Part II, Line 23 “*Specific assistance to individuals.*”
- You should attach a list of recipients organization(s) and/or individual(s) to your *Form 990*.
- When a 501(c)(3) organization uses bingo proceeds for its own charitable activities, the expense(s) is reflected in the appropriate expense line(s) of Part II, “*Statement of Functional Expenses.*”
- See the instructions for *Form 990* for additional help in filing.

To obtain instructions and forms:

- Instructions for *Forms 990* and *990-EZ*, as well as other IRS forms and publications may be obtained by calling 1-800-829-3676 or through the IRS Website at www.irs.ustreas.gov or the EO homepage at www.irs.ustreas.gov/bus_info/eo.

Congratulations To The Veterans of Foreign Wars (VFW) On Its 100th Anniversary!

The VFW celebrates 100 years of service this year. Founded in 1899 the VFW has been actively engaged in troop support, recognition of military service and remembrance of the sacrifices made in the nation’s defense, providing services to veterans and their families and promoting patriotism. The VFW traces its beginning to 1899 when veterans of the Cuba and the Philippines met separately to form organizations that would represent them in their quest for medical care and pensions. During the 1920s the VFW was instrumental in the creation of the U.S. Veterans Bureau, later to become the Department of Veterans Affairs in the President’s cabinet.

Today, there are more than 10,000 VFW posts worldwide and over 2 million members. The VFW offers its services to members and non-members alike as it continues to fulfill the commitment adopted by its founders in 1899: *Honor the Dead By Helping The Living.*

VFW members contribute to building better communities through many projects, including highway clean-up programs, providing flags for veterans’ graves, fund-raisers for the sick and homeless, carnivals for children, support for local schools, volunteers in veterans hospitals, care of the elderly and civic

improvements. VFWs also support the Child Identification Program, Special Olympics, Lite-A-Bike/Bicycle Safety, community blood drives, hunter safety programs, National Disaster Relief Fund, drug awareness programs, VFW National Home, citizenship and flag education programs, and Boy Scout Troops, to name a few.

There are 475 VFW Posts in Texas with 100,110 members. These posts and their members donate over \$3 million annually within the state of Texas for Community Service projects and provide scholarships totaling over \$150,000 annually to the “Voice of Democracy” winners in Texas.

Charitable Bingo plays an important role in the charitable activities of VFWs in Texas. There are 231 VFWs licensed to conduct Charitable Bingo in Texas. In 1998 Texas VFWs made \$6,834,798 in Charitable Bingo distributions. From January to June 1999 VFWs have made \$3,313,963 in charitable distributions.

From the management and staff of the Charitable Bingo Division of the Texas Lottery Commission we say, “Congratulations on your 100th anniversary and thank you for contributing to a better Texas!”

New Licenses Issued from April, 1999 Through July, 1999

Organization Name	License Type	Org. Location
Alcoholic Recovery Center of Lubbock, Inc.	Conductor	Lubbock
AMVETS Post 83	Conductor	Dallas
Central Texas Exposition, Inc.	Conductor	Killeen
Chisum Parent Teacher Organization	Conductor	Paris
Clothes for the Needy	Conductor	Canton
First Unitarian Universalist Church of Lubbock	Conductor	Lubbock
Hondo Volunteer Fire Company	Conductor	Hondo
Humanity United In Giving Internationally, Inc.	Conductor	Richardson
Killeen Amateur Boxing Association	Conductor	Killeen
Knights of Columbus Council 8024 St. Cyril	Conductor	Houston
Lubbock Area Addiction Services, Inc.	Conductor	Lubbock
Medina Economic Development Foundation, Inc.	Conductor	Hondo
Montgomery Dobbins Lions Charity Club	Conductor	Montgomery
NCOA 122 Taj Mahal Chapter	Conductor	Randolph AFB
NCOA Birthplace Chapter 1272	Conductor	San Antonio
Noon Exchange Club of Rowlett	Conductor	Rowlett
North Texas Justices of the Peace and Constables	Conductor	Garland
Old Corral, Inc.	Conductor	Amarillo
Red Men Tribe 5 Wampum	Conductor	Copperas Cove
San Angelo Coalition of Police	Conductor	San Angelo
Say No To Drugs	Conductor	Garland
SPJST Lodge 40	Conductor	El Campo
Texas Italian Sports Foundation	Conductor	Houston
Tom Thumb Nursery & Kindergarten	Conductor	Dallas
VFW Post 10429 Auxiliary Benbrook Memorial	Conductor	Benbrook
VFW Post 10429 Benbrook Memorial	Conductor	Benbrook
VFW Post 5401 Bucky Boyd	Conductor	Henrietta
Bingo Bill's Association	Lessor	Garland
David R. Parsons, III	Lessor	Castroville
Denton Columbus Club	Lessor	Denton
Hondo Volunteer Fire Company	Lessor	Hondo
Ivycom Enterprises	Lessor	San Angelo
North Concho Little League	Lessor	San Angelo
Tom Thumb Nursery & Kindergarten	Lessor	Dallas
Betja Distributors, Inc.	Distributor	Dallas
Deborah G. Denham	System Service Provider	Shallowater

When You're Surfing The Web...

Be Sure To Visit Charitable Bingo's Site!
 We're now on the Internet so please pay us a visit. Our address is <http://www.txbingo.org>. It contains a lot of useful information about Charitable Bingo in Texas. We would like to know what you think about the web site so please e-mail your comments to: info@txbingo.org. See you in Cyberspace!

**Texas Charitable Bingo
 1999 Second Quarter Statistics**
 (As of 08/18/99)

1999 Second Quarter

Regular Receipts	\$ 96,570,513
Electronic Receipts	29,945,803
Instant Receipts	<u>24,461,717</u>
Total Receipts	\$ 150,978,033
Attendance	6,822,146
Regular/Electronic Prizes	\$ 90,567,300
Instant Prizes	<u>16,935,983</u>
Total Prizes	\$ 107,503,283
Distributions	\$ 10,853,230

Rule Reminder

Charitable Bingo Administrative Rule 402.555(h)(1) requires that:

"...each winning cardface played on a card-minding device shall also be printed by the conductor through use of the card-minding system and posted on the licensed premises where it may be viewed in detail by the players until at least 30 minutes after the completion of the last bingo game of that organization's occasion."

On June 29, 1999, the Charitable Bingo Division sent out news releases to Texas media outlets in all counties in which Charitable Bingo is conducted. The news releases covered Charitable Bingo activities for the first quarter of 1999. The news releases were tailored to each specific county and the headline highlighted how much money was won by bingo players in the county. The news releases also included information on attendance at Charitable Bingo games and Charitable Bingo allocations made to the county and/or municipality.

Newspapers in the smaller cities were more likely to print the entire news release. Stories appeared in newspapers in the following cities: Bastrop, Baytown, Copperas Cove, Devine, Edna, Elgin, Gatesville, Kilgore, Marble Falls, Pearland, Pearsall, Roma, Seguin, Temple and Wichita Falls.

Based upon news release data, newspapers in Big Spring, Bryan, Killeen, and Plano interviewed representatives of organizations conducting Charitable Bingo and published in-depth articles. The *Paris News* even ran a two-part story. On July 7, 1999, WFAA-TV in Dallas did a story on how bingo has gone "high-tech" with the introduction of card-minding devices.

This type of media coverage will spread the word, throughout the state, that Charitable Bingo is a great way to have fun, be entertained, win some money, socialize and contribute to charity - all at the same time! What does the Charitable Bingo Division plan to do in the future? - **keep spreading the word about Charitable Bingo every chance we get!**

What can you do? **Help us!** Contact your local media and tell them about your games, how much fun your players have, how much money is raised for local charities, and how counties and cities benefit from Charitable Bingo allocations. You will increase your chances of obtaining local media coverage if you can **show** them what the charitable distributions do for the local community.

If you have ideas or suggestions on ways to get positive media coverage for Charitable Bingo, in your locality or anywhere else in the state, let us know. If your organization has received media coverage be sure to send us a copy. To share suggestions, ideas or send us a copy of your organization's media coverage you can contact us as follows:

Mail To: Charitable Bingo Operations Division Phone: 800-BINGO-77 (246-4677)
PO Box 16630 FAX: (512) 344-5142
Austin, TX 78761-6630

Deliver To: Charitable Bingo Operations Division e-mail: info@txbingo.org
611 E 6th Street
Austin, TX 78701

**Charitable Bingo
In The News**

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