

Bingo Bulletin November/December 2000

Happy Holidays From The Charitable Bingo Division of the Texas Lottery Commission

All of us at the Charitable Bingo Division of the Texas Lottery Commission wish you a happy holiday season. We have enjoyed working with you this year and look forward to helping make 2001 an outstanding year for charitable organizations in Texas!

Reporting Bingo Income and Expenses on Form 990 (Return of Organization Exempt from Income Tax) Form 990-EZ (Short Form Return of Organization Exempt from Income Tax)

This Article Provided by the Internal Revenue Service

- Did you know that, generally, if your organization operates under a Texas Bingo License Class B through J, then you are required to file a **Form 990, Return of Organization Exempt from Income Tax**, with the Internal Revenue Service, because you have gross receipts of \$25,000 or more. (Churches and certain church affiliated societies are excluded from this requirement.)
- If your fiscal year end coincides with the end of a quarter, then you can use your Texas Bingo Conductors Quarterly Report to help you in reporting bingo income and expenses on your Form 990. Combine the totals from the lines indicated in the chart below from each Texas Bingo Conductors Quarterly Report that falls within your calendar year and report it on lines indicated in the chart on the Form 990. This will report revenue earned and expenses incurred during your fiscal year.
- If the organization's fiscal year does not coincide with the end of a quarter, then the information reported on the quarterly bingo report must be broken down to the amount earned or expensed during the months that fit into your fiscal year. Then use the chart to show you where to report the appropriate figures on the Form 990.
- If your organization's gross receipts during the year are less than \$100,000 and total assets at the end of the year are less than \$250,000, you have the option of filing **Form 990-EZ, Short Form Return of Organization Exempt from Income Tax**, instead of Form 990. The chart below indicates in parenthesis-(), where to report bingo income and expenses on the Form 990-EZ.

Texas Bingo Conductors Quarterly Report	<i>Form 990, Return of Organization Exempt from Income Tax (Form 990-EZ, Short Form Return of Organization Exempt from Income Tax)</i>
Line 6 Gross receipts (total receipts from regular bingo, instant bingo, and electronic bingo)	Report on Line 9a (or Line 6a of Form 990-EZ) along with other gross receipts from Special fundraising events. Attach a schedule to the form as required by the instructions.
Line 7, Rent income (payments received from other organizations)	Report on Line 6a, Gross Rent (or include with investment income, Line 4, on Form 990-EZ). Rent may also be subject to tax on unrelated business income, see Publication 598, "Tax on Unrelated Business Income of Exempt Organizations," page 9, "rents."

Line 8, Approved loans	Not reported on Form 990 (or 990-EZ) because loans do not constitute revenue.
Line 9, Bingo interest earned	Report with other interest income on Line 4, Interest on savings... (or Line 4, Investment income on Form 990-EZ).
Line 10, Value of merchandise prizes donated	Report on Line 1, Contributions on both forms.
Line 11, Prize fees withheld	Not reported on Form 990 (or 990-EZ), because it is not revenue
Lines 12 and 13	Not reported on Form 990 (or 990-EZ)
Combine lines 14, 15, 16, 20, 21, 22 and 23	Report on Line 9b (or Line 6b of 990-EZ), along with other, non-bingo special fundraising events. Attach a schedule as required by the instruction to the Form 990. (Operator Lessors should report expenses related to rental income as rental expenses on Line 6b (or Line 14, of Form 990-EZ))
Line 17, Repayment of approved loans	Not reported on Form 990 (or 990-EZ) because loan repayments do not constitute expenses
Line 18, Charitable distributions	Reporting on Form 990 (or 990-EZ) depends upon how the money is used: Report on line 22, Grants and allocations (or Line 10 of Form 990-EZ) and attach a schedule that identifies a. the class of the award or grant b. the recipient's name, address, and amount given, and c. (in the case of grants to individuals) the relationship of the recipient if related by blood, marriage, adoption or employment (including employees' children) to any person or corporation with an interest in the organization, such as a founder, donor, director, trustee, officer, etc. Report on Line 23, Specific assistance to individuals (or Line 10 of Form 990-EZ) and attach a schedule showing the total payments for each particular class of assistance Report on the appropriate line that reflects the type of expense; for example salaries and wages, supplies, telephone, occupancy, etc.
Amounts used as awards and grants to individuals and organizations, such as grants to charitable organizations and scholarships, fellowships, and research grants to individuals	
Amounts provided to specific individuals as charitable assistance, such as money for emergency food, medical, shelter, and clothing need in the case of indigent persons or disaster victims	
If your organization is a charitable organization exempt under 501(c)(3), then any amount you use that furthers your charitable purpose is a charitable distribution	
Line 19, Prize fees paid	Not reported on Form 990 (or 990-EZ); this was withheld from prizewinners, therefore it is not the organization's expense.
Line 29, Late filing penalty	Report on Line 43, Other expenses (or Line 16 of Form 990-EZ)
Line 30, Late filing interest	Report on Line 43, Other expenses (or Line 16 of Form 990-EZ)

- Report your revenue and expenses from non-bingo activities in the appropriate lines on the Form 990 or 990-EZ.
- For additional information consult the “Instructions for Forms 990 and 990-EZ.” IRS forms and publications may be obtained by calling 1-800-829-3676 or through the IRS Website at www.irs.gov or the EO homepage at www.irs.gov/bus_info/eo.
- For exempt organization questions, call 1-877-829-5500 (a toll-free number).

Roy Gabrillo Has A New E-mail Address

In the October/November 2000 issue of the Bingo Bulletin in the article titled *Please Help! Halls Needed For Operator Training Programs* an e-mail address was listed for Roy Gabrillo, Senior Audit Supervisor in Austin. Since the publication of the article Roy's e-mail address has changed to: **Roy.Garillo@lottery.state.tx.us**.

Correction to FAX Number in Oct./Nov. 2000 Bingo Bulletin

The incorrect FAX number was provided for the Charitable Bingo Division in Austin in the articles titled *Reminder Regarding Changes In Lease Amounts* and *Is there anything You Would Like to Have Added to The Charitable Bingo Website?* **The correct FAX number for the Charitable Bingo Division in Austin is (512) 344-5142.** We apologize for any inconvenience this error may have caused.

Bingo Advisory Committee Appointed for 2000-2001

At the June 14, 2000, meeting of the Texas Lottery Commission, the Commissioners appointed the members of the Bingo Advisory Committee. The primary purpose of the Bingo Advisory Committee is to advise the Texas Lottery Commission on the needs and problems of the state's Charitable Bingo industry. These are the members of your Bingo Advisory Committee (new members are indicated by an *). If you have any questions or concerns, please feel free to contact any committee member listed below.

Name & Address	Telephone	E-Mail	Representing
William Neinast (Chair) 3806 FM 390 West Burton, TX 77835	(979) 289-3171	Neins1@aol.com	General Public
Virginia Brackett (Vice Chair) 1923 14 th Street Lubbock, TX 79401	(806) 747-4936		Charity
*David Castillo 316 North 7 th Street Kingsville, TX 78363-4543	(361) 592-4222		Charity
*Louie George 327 Edgewood Lane Wake Village, TX 75501	(903) 831-5059	LGeorge476@aol.com	Charity
*Robert Rinehart 305 East 5 th Street Amarillo, TX 79118	(806) 373-2845	KHIVA@amaonline.com	Conductor/ Lessor

Name & Address	Telephone	E-Mail	Representing
*Lexford Speed 3205 Glen Eagles Court Plano, TX 75093	(214) 695-9389	Vspeed0811@aol.com	Commercial Lessor
Suzanne Taylor 5413 Pressler Drive Corpus Christi, TX 78413	(361) 946-5413	UNOSUZYQ@aol.com	Commercial Lessor
Mr. Fabian Hoffner National Association of Fundraising Ticket Manufacturers 246 Iris Park Place 1885 University Avenue West St. Paul, Minnesota 55104	(612) 387-3146	Fabian@naftm.org	Manufacturer/ Distributor
Saleem Tawil, P.E. 111 Congress Ave., Suite 2530 Austin, TX 78701	(512) 482-8111	TXTV@aol.com	System Service Provider