

§402.205. Unit Agreements.

(a) Definition. The following term, when used in this section, shall have the following meaning:

Unit Agreement--A unit accounting agreement or a trust agreement forming a unit.

(b) A trust agreement forming a unit must contain all required elements of a unit accounting agreement as specified under §2001.431(3) of the Act.

(c) A unit must notify the Commission on a Commission-prescribed form and submit a copy of the executed unit agreement to the Commission prior to operating as a unit.

(d) A unit must notify the Commission of a change in unit membership on a Commission-prescribed form seven calendar days prior to the date the unit membership changes. A copy of the executed amendment to the unit agreement, in accordance with subsection (q) of this section, must be submitted to the Commission within twenty-five calendar days of the effective date of the change.

(e) A unit may appoint a designated agent who must be a natural person.

(1) A designated agent for a unit must complete training required under §2001.107 of the Act every two years on behalf of either the unit or a licensed authorized organization.

(A) If a new designated agent has not completed required training in the past two years, the designated agent must complete a training class within forty-five calendar days of when the unit agreement or amendment to a unit agreement naming the designated agent was signed.

(B) If the designated agent has not completed required training at the time of a unit's notification of a new designated agent, the designated agent must provide written notice to the Commission upon completion of the training.

(2) A bookkeeper may be a business contact for a commercial lessor and a designated agent for an accounting unit provided that the bookkeeper is not employed by the commercial lessor.

(3) A designated agent must provide personal information requested by the Commission on a Commission-prescribed form so that the Commission may conduct a background investigation to determine if the designated agent is an owner, officer or director of a licensed commercial lessor, employed by a commercial lessor or related to a licensed commercial lessor within the second degree by consanguinity or affinity.

(f) The unit member's taxpayer name and number on the unit agreement must match:

(1) the name on the organization's organizing instrument or the name of the organization as stated on its license to conduct bingo; and

(2) the eleven-digit taxpayer number on file with the Commission.

(g) A unit with a unit agreement specifying that a member withdrawing from the unit is entitled to a share of the inventory or payment for the member's share of the inventory must notify the Commission of the method of distribution within twenty-five calendar days of the distribution to the withdrawing member. The notification must contain the amount of payment or the complete list of inventory transferred.

(h) A unit agreement must specify the street address where the records of a dissolved unit will be maintained for the required four year retention period unless the unit agreement specifies that each unit member will receive a copy of the unit records.

(i) For a dissolved unit, the last trustee or member of a unit at the time of dissolution must notify the Commission within twenty-five calendar days of any change in the street address of the unit's records during the required four year retention period.

(j) A unit agreement must be signed by the unit member organization's bingo chairperson or other officer or director.

(k) Organizations may not act as a unit until all member organizations are licensed.

(l) The method a unit uses to apportion net proceeds of the bingo operations among the members of the unit must be consistent with the method a unit uses to ensure compliance with the required disbursements to charity.

(m) A unit agreement must indicate the length of time allowed for the distribution of funds, records, and inventory and allocation of authorized expenses and liabilities on dissolution or withdrawal of one or more members of the unit.

(n) Prior to joining a unit, a licensed authorized organization must provide written notice to the Commission stating whether it will be transferring inventory to the unit.

(o) An organization joining a unit and possessing inventory must provide to the Commission a complete list of the inventory it has transferred to the unit within twenty-five calendar days of joining the unit. It is the responsibility of the organization to ensure that the Commission timely receives the inventory list.

(p) A written inventory of bingo equipment and supplies must include the following:

If	Then
Bingo Cards/Paper	Organization transferring from, organization transferring to, series number, serial number, #on/#up, total number of sets/sheets transferred, signature of an officer, director or the primary operator.
Bingo Equipment	Organization transferring from, organization transferring to, equipment type, manufacturer,

	model and/or serial number, signature of an officer, director or the primary operator.
Instant Bingo Tickets	Organization transferring from, organization transferring to, form number, name of game, series number, total number of instant bingo tickets transferred, signature of an officer, director or the primary operator.
If	Then
Bingo Cards/Paper	Organization transferring from, organization transferring to, series number, serial number, #on/#up, total number of sets/sheets transferred, signature of an officer, director or the primary operator.
Bingo Equipment	Organization transferring from, organization transferring to, equipment type, manufacturer, model and/or serial number,

	signature of an officer, director or the primary operator.
Instant Bingo Tickets	Organization transferring from, organization transferring to, form number, name of game, series number, total number of instant bingo tickets transferred, signature of an officer, director or the primary operator.

(q) Apart from a change in unit membership, any amendment to any of the contents of a unit agreement requires the unit to submit a form prescribed by the Commission and a copy of the executed amendment to the unit agreement within twenty-five calendar days of the effective date of the change.

(r) Notification of an amendment to a unit agreement must contain:

- (1) name of the unit;
- (2) effective date of the change;
- (3) specific section of the unit agreement being changed;
- (4) new terms of the agreement which are in compliance with the Act and the Rules;

(5) signature of the bingo chairperson or other officer or director for each of the current unit members; and

(6) statement which binds the amendment to the original unit agreement creating one document unless the entire unit agreement is re-stated.

(s) A unit must submit to the Commission an amended unit agreement within twenty-five calendar days of the effective date of any change to the Act or the Rules which would affect the agreement's compliance with the new Act or Rules.

(t) If a unit agreement or an amendment to a unit agreement is found to not be in compliance with the Act or the Rules, the unit will have twenty-five calendar days after being notified by the Commission to provide a revised compliant unit agreement or compliant amendment to a unit agreement.