

Minimum Internal Control Standards for the
Proper Accounting of Revenue and Expenditures

- 1 (a) Definition of terms used in these guidelines.
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3 (1) Bingo assets - any items of value owned by you related to your bingo
4 operations, including:
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6 (A) cash (including petty cash and cash in your bingo bank account);
7 (B) inventory (including bingo cards, pull-tabs, and electronic card-
8 minding devices); and
9 (C) equipment (including bingo balls, bingo board, and flashboard).
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11 (2) Internal controls – actions taken to provide reasonable assurance that your
12 objectives are achieved in the following categories:
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14 (A) effectiveness and efficiency of your bingo operations;
15 (B) reliability and accuracy of your financial reporting; and
16 (C) compliance with applicable laws and regulations.
17
18 (b) The officers of the licensed authorized organization are responsible for
19 establishing, developing, and maintaining internal controls that ensure the
20 following:
21
22 (1) The officers authorize activities related to the conduct of bingo, including;
23
24 (A) sales price for bingo products;
25 (B) amount of prizes to be awarded at bingo games;
26 (C) house rules;
27 (D) date, time, and location of bingo games;
28 (E) contracted services and services providers—including lessors,
29 bookkeepers, accountants, legal representatives, and providers of
30 bingo equipment and supplies;
31 (F) charitable distributions;
32 (G) reports on bingo activity and operations at board meetings,
33
34 (2) Financial accountability by properly recording all transactions related to
35 your bingo revenue and expenditures;
36
37 (3) Bingo assets are secured and access is permitted only to authorized
38 persons;
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40 (4) The duties, functions, and responsibilities of your bingo operations are
41 segregated to protect you from theft and fraudulent reporting; and
42
43 (5) The bingo proceeds you distribute are used for authorized purposes.

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- 1 (c) The bingo chairperson, operators and the bingo staff are each responsible for
2 putting into practice the system of internal controls.
- 3 (d) Examples of internal controls:
- 4 (1) There should be no single person doing more than two processes of an
5 operation or reporting of a transaction. For example; the cashier counting
6 the cash should not make the deposit and the person receiving the
7 inventory should not prepare and sign the check to pay the purchase
8 invoice.
- 9 (2) If an individual must do more than two steps of an operation or reporting
10 of a transaction the individual's work should be reviewed by a different
11 person
- 12 (3) Each board meeting should include reports on bingo activity and
13 operations
- 14 (A) Discussions and decisions regarding bingo should be documented
15 in the meeting minutes.
- 16 (B) Quarterly report(s) should be an agenda item for the
17 organization's first meeting after the quarterly report deadline(s).
- 18 (C) At least two officers of the organization should sign the meeting
19 minutes to indicate the quarterly report was discussed, reviewed,
20 and if applicable, amended.
- 21 (4) The bingo chairperson should review and sign the bingo bank
22 reconciliations.
- 23 (5) The bingo chairperson should review and sign all correspondence from the
24 Lottery Commission and should maintain a copy of the signed
25 correspondence with the bingo records.



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INTERNAL CONTROL RESPONSIBILITIES

This is a guide to assist officers of the organization who are primarily responsible for establishing, implementing and maintaining a system of internal control over bingo operations. The organization's internal control system should meet the following objectives:

<ul style="list-style-type: none"> ➤ Officer authorize transactions and activities related to the conduct of bingo 	<ul style="list-style-type: none"> ➤ Separate duties, functions and responsibilities to protect the licensed authorization organization from theft and fraudulent reporting and to ensure compliance with reporting requirements
<ul style="list-style-type: none"> ➤ Properly and completely record bingo revenue and expenditure transactions to maintain accountability 	<ul style="list-style-type: none"> ➤ Maximize the amount of bingo proceeds distributed for charitable purposes
<ul style="list-style-type: none"> ➤ Secure bingo assets 	<ul style="list-style-type: none"> ➤ Conduct bingo games fairly
<ul style="list-style-type: none"> ➤ Monitor bingo funds and equipment an ongoing basis and resolve discrepancies. 	<ul style="list-style-type: none"> ➤ Comply with the Bingo Enabling Act (Act) and Charitable Bingo Administrative Rules (Rules)