

From: Tom Hanson, Acting Director, Charitable Bingo Division

To the Bingo Folks who are working through the Covid-19 gathering and travel restrictions, I wanted to share some information as of April 9, 2020:

- 1) The submission to the Governor's Office for statutory suspension related to the net proceeds' requirement and the payment of the state's portion of the prize fees was submitted on April 1, 2020. Agency staff has been in communication with the Governor's Office staff regarding this request.
- 2) We continue to ask that organizations hold off on submitting their quarterly reports for now in hopes the agency will have a response soon.
- 3) Current scheduled audits where there are documents needed for the completion of the audit are postponed effective April 8, 2020. Any audit where all necessary documents have been obtained will continue but no exit conference will be scheduled until the Covid-19 restrictions are lifted.
- 4) Below is a response to the numerous inquiries related to the SBA loans associated with the Federal CARES Act.

If the licensed organization receives the SBA loan and uses that money to pay employees directly from charity's funds rather than the charity's bingo account, there would be no need to notify or seek-approval from the Bingo Division.

Note: Non-bingo funds (e.g. SBA loans) are not subject to the Commission's jurisdiction so long as they are kept separate from the organization's bingo account. Non-bingo funds may be transferred into the organization's bingo account only if the resulting account balance does not exceed the operating capital limits and the organization notifies the director within 14 days (See. BEA 2001.451(c)) *Please be aware that transferring non-bingo funds into the bingo account to pay expenses that are not incurred in connection with the conduct of bingo creates a risk that the use of those funds may later be deemed in violation of the bingo laws and rules.* Funds from a bingo account may only be used for reasonable and necessary expenses that are in connection with the conduct of bingo. In the event of an audit, any expense paid from the bingo account during the shutdown will be examined for reasonableness and necessity and its connection with the conduct of bingo.

I wish you all the best and look forward to bingo getting back in business soon.

Tom