

Instructions for Alaska 2014 Permittee Quarterly Report

GENERAL INSTRUCTIONS

Who Must File

A municipality or a qualified organization issued a gaming permit must file a report for each calendar quarter in which it has gross receipts of \$50,000 or more from gaming activities. *Gross receipts* means receipts from the sale of shares, tickets or rights connected with the participation in any activity permitted under AS 05.15, or the right to participate, including admission, fee or charge, sale of equipment or supplies, and all other miscellaneous receipts, including Calcutta pools.

Due Date Of Report

The report must be filed by the 45th day following the end of each calendar quarter.

Who Must Sign

The report must be signed, under penalty of unsworn falsification, by the Member in Charge and the president or treasurer of the organization. They cannot be the same person. If your organization pays someone to prepare the report, the paid preparer must also sign and date the report and provide the name and address of their firm.

Where To Send The Report

Mail the report to:

TAX DIVISION - GAMING UNIT
ALASKA DEPARTMENT OF REVENUE
PO BOX 110420
JUNEAU AK 99811-0420

or deliver to the 11th Floor, State Office Building, in Juneau.

Activities To Include

This report covers all gaming activities. If you conducted a Calcutta pool, a separate report must be prepared and filed with this report, and the results of the Calcutta pool are to be included in the activities reported for the quarter in this report. If you need a Calcutta pool report (Form 810), you may find it on our web site at www.tax.alaska.gov. File the Calcutta pool report with the annual financial statement if you do not file a quarterly report for the quarter in which the Calcutta pool was held.

Bingo And Pull-Tab Reporting

Note that regulation requires accrual accounting to report bingo and pull-tab activity, but this requirement applies only to the annual financial statement. You need not convert from cash basis or modified cash basis for the quarterly reports. You may wish to consult an accounting professional to prepare your books before starting the annual financial statement, but there is no need to do so for this report. See 15 AAC 160.830.

Pull-Tab Sales Reported Separately

Pull-tab sales by your organization, but not by vendors that sell pull-tabs on your behalf, must be reported separately on lines 7 through 12 of Page 1. Vendor sales of pull-tabs are reported with all other gaming activities on lines 7 through 12. Net proceeds are reported on line 6 and on line 12. Both columns are combined on line 13 for total net proceeds earned for the quarter.

Schedule D: Pull-Tab Report Attachment

This schedule may be required; see instructions for Schedule D.

SPECIFIC INSTRUCTIONS

Permit Year And Permittee

Enter your organization information in the space provided.

Activities Conducted By An Operator Or Multiple-Beneficiary Permittee (MBP)

Lines 1 through 6 apply only to gaming activities conducted for your organization by an operator or through membership in a multiple-beneficiary permittee (MBP).

One operator used for the entire period: Provide the name and license number of the operator and complete lines 1 through 6. This information is found on Form 843, Schedule A, Activity Report by Permittee, received from your operator. Enter the amounts from Column I, lines 1 through 6, of Schedule A, on lines 1 through 6.

More than one operator used during the period: Attach a separate schedule listing the name and license number of each operator used by your organization for

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gaming during the current period. Summarize Column I, lines 1 through 6, of Schedule A received from each operator who conducted gaming activity on behalf of your organization. A sample schedule is on Page 7 of these instructions. Enter the total amounts for gross receipts, taxes, prizes, etc. on lines 1 through 6 of *your organization's* quarterly report.

Multiple-Beneficiary Permittee Member:

Provide the name and permit number of the MBP and complete lines 1 through 6. The information is found on the Quarterly Multiple-Beneficiary Permittee Report, Form 867, Schedule A, provided to your organization by the MBP.

Do not duplicate deposits of net proceeds received from your organization's operator, if you contract with one, or distributed by your MBP, on lines 7 through 11.

Activities Conducted By Permittee And Vendors

If your organization conducted any of its own gaming activities, fill out lines 7 through 13. The amounts entered on these lines must be summarized from your records. The primary source of this information will be the deposits to your organization's checking account for gaming activities and the checks written from this account.

Self-Directed Sale of Pull-Tabs

Report gross receipts, taxes, prizes, adjusted gross income, expenses, and net proceeds from pull-tab sales conducted by your organization, but not vendor sale of pull-tabs, in the first column, lines 7 through 12, Page 1. Do not include the value of donated prizes on line 9.

Sales of Pull-Tabs at Vendor Location and All Other Activities

Include gross receipts, taxes, prizes, adjusted gross income, and expenses, from sales of pull-tabs at vendor locations with receipts, taxes, adjusted gross income, and expenses from all other activities in the second column of lines 7 through 11.

To compute Total net proceeds [line 13], add together net proceeds reported on lines 6 and 12 [both columns].

SCHEDULE D: PULL-TAB ATTACHMENT

Who Must File

Any permittee required to file a quarterly report must file the Pull-Tab Attachment with the Quarterly Report if any pull-tab game in play during the quarter is complete [sold out].

Use this form to report **completed** pull-tab games **not previously included** on your organization's quarterly reports. *Use a separate attachment for games sold by your organization, or a vendor.* Use additional pages if more space is required.

Contract with Operator or Multiple-Beneficiary Permittee Member: If your organization participates in pull-tab gaming only through an MBP or operator, do not complete Schedule D. It has been filed for your organization by the MBP or your operator.

General Information

Enter your organization's name and permit number in the spaces provided. Prepare a separate Schedule D for vendor sales of pull-tabs. Enter the vendor identifying information at the top of the form and check the box to identify the schedule as vendor sales of pull-tabs.

License Number. Enter the license number of the distributor selling the game in this column.

State ID Stamp Label. Attach the pull-tab state ID stamp labels in this column. If the label is not available, write in the ID number and attach an explanation to the return.

Game Serial Number and Form Number. Enter the serial number and form number for each game in the space provided.

Gross Receipts, Prize Payout and Ideal Net. Enter the ideal gross receipts, ideal prize payout and ideal net in the applicable columns.

3% Tax. Enter the 3% tax paid when the game was purchased (by your organization or by an operator purchasing pull-tab games for your organization).

Date In/Date Out. Enter the dates the game was placed in play (date in) and completed (date out) in this column.

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General Bookkeeping Instructions (For Illustration Purposes Only)

General instructions illustrating how to summarize your organization's gaming deposits and checks are on pages 5 and 6. This is an example only. Your organization's worksheets will summarize the actual deposits of gaming receipts to the gaming account and payment of expenses with gaming account checks.

Gaming Bank Account

All money collected or received from gaming activities shall be deposited into a separate bank account. Any cash prize of \$50 or more (from gaming activities other than bingo) requires the recipient to sign a receipt. All bingo prizes must be receipted. All expenses related to gaming activities must be paid by check. No checks may be written for cash. Each check written on the gaming bank account requires two authorized signatures of members of the organization. All financial statements, books and records relating to gaming activity must be retained for three years from the later of the due date or filing date of the Annual Report based on those records.

No Electronic Funds Transfers should be made out of the Gaming Account except for payments made through the department's website for the Annual Permit fee, or the additional 1% fee on the Annual Financial Statement and any interest or penalty that may be due. Checks should not be written to the General Operating Account--donations of net proceeds should be made directly from the gaming account.

Organize Gaming Deposits - Example

First, prepare a worksheet to record each day's gaming receipts, sales, prizes, and deposits. An entry is required even if there is no deposit. Pull-tab playbacks are recorded as prize payouts and additional sales receipts. We recommend a separate deposit for each day on which gaming is conducted, and a separate deposit for each activity, if it is easier for you to track the receipts and prizes.

Identify the date of the gaming activity in the left hand column, and the gaming activity identified in the next column. Then enter the sales and prize payout detail in the appropriate accounts. The accounts must identify the type of activity. It may be helpful to use a separate line item for each activity.

The worksheet on Page 5 provides several examples with additional explanation, including days when:

- collections from the sales of raffle tickets are deposited,
- sales are greater than prize payouts and the net receipts are deposited
- sales are less than prize payouts and some prizes are paid from a bank set up for prize payouts,
- sales receipts are used to reimburse the prize bank, and
- a pull-tab game is sold to a vendor.

Checks - Example

1. On July 1, a check was written to Ace Management for \$500 to rent a hall for raffle sales and drawing.
2. On July 15, a check was written to PT Sales for \$200 to purchase a game (\$194) and to pay the 3% pull-tab tax (\$6).
3. On July 15, a check was written to ARC Company for \$185 to buy five pull-tab jars.
4. On July 16 a check was written to Bill's Printing for \$300 for 1,000 raffle tickets.
5. On July 20, a check was written to Ace Management for \$500 to rent a hall to sell pull-tabs.
6. On August 31, a check was written to Ace Management for \$500 to rent a hall for bingo.
7. On September 13, a check was written to Bingo Supply for \$800 to purchase bingo supplies.
8. On September 20, a check was written to Jim Smith for \$1,200 for accounting. He charged \$30 per hour and worked on the books for 40 hours (10 hours [\$300] for raffles, 10 hours [\$300] for bingo, and 20 hours [\$600] on pull-tabs).
9. On September 20, a check was written to John Brat for \$600 to clean the hall rented three times for raffles, bingo and pull-tab sales. He charged \$20 per hour and worked 30 hours with 5 hours for raffle sales (\$100), 15 hours for bingo (\$300) and 10 hours for pull-tabs (\$200).
10. On September 20, a check was written to the Daily News for \$300 to advertise the raffle, bingo and pull-tab games.

Prepare a worksheet for checks written from the gaming account by listing information from each check written during the current quarter in the left-hand columns of the worksheet. Include the check number, the date the check was written, the person or business to whom the check was written, and the amount of the check on the worksheet.

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The remaining columns will identify the type of expense. The illustration on Page 5 shows how to set up the worksheet. The following is a list of the types of expenses you may have:

- Rental of facility
- Janitorial expense
- Utilities
- Contract services
- Insurance
- Professional services
- Accounting
- Wages
- Payroll taxes
- Pull-tab tax paid
- Printing tickets
- Cost of pull-tab games
- Bingo supplies
- Cost of bingo cards
- Advertising
- Postage/freight
- Equipment repairs
- Non-alcoholic refreshments
- Door prizes
- Equipment purchases
- Permit fees
- Supplies-Other
- Miscellaneous
- Building repairs/maintenance
- Building insurance

Specific instructions regarding some of these expenses and the requirement to allocate expenses not directly related to a single gaming activity can be found in the instructions for the Annual Financial Statements. Alaska laws also restrict the deduction of some payments. Please refer to the statutes and regulations.

A worksheet showing the entries for the checks written in the above example is included on Page 5 of these instructions. Your organization's worksheets will summarize the actual checks written from the gaming account for the gaming activities that your organization conducted.

Caution: If your organization entered into an agreement with a vendor to sell pull-tabs at their location and agreed to pay the vendor, be sure to identify the cost of pull-tab games and the pull-tab tax paid as vendor expenses.

Example: Gaming Receipts and Deposits

Your Organization's Name: _____
 Your Organization's Gaming Account Number: _____

Summary of Daily Gaming Receipts and Deposits

Date	Description	Cash Accounts		Profit and Loss Accounts						Vendor Compensation				
		Bank Deposits	Pull-Tab Bank [Cash on hand for prizes]	Sales by Activity			Prizes by Activity ⁽¹⁾							
				Raffles	Pull-Tab	Vendor Pull-Tab	Bingo	Pull-Tab	Vendor Pull-Tab		Bingo			
7/6	Deposit cash from sale of raffle tickets ⁽¹⁾	1,000												
7/9	Deposit cash from sale of pull-tabs	1,500			7,500					-6,000				
7/12	Record sale of pull-tabs ⁽²⁾	0	-1,500		4,500					-6,000				
7/15	Deposit cash from sale of pull-tabs ⁽³⁾	2,000	1,500		7,500					-4,000				
7/18	Deposit cash from sale of pull-tabs ⁽⁴⁾	1,500			7,500					-6,000				
7/18	Deposit cash from bingo session	1,000						6,000					-5,000	
7/19	Sale of pull-tab game to Vendor ⁽⁵⁾	750					5,376					-4,304		
		7,750	0	1,000	27,000		5,376	6,000		-22,000		-4,304	-5,000	
		Sum of Cash Accounts: 7,750		Sum of Profit and Loss Accounts:						7,750				

⁽¹⁾ Receipts from sale of raffle tickets for the week collected and deposited; assumed raffle prizes will be paid with check from the gaming account, or are donated.
⁽²⁾ Daily prizes are more than sales; prizes in excess of sales receipts are paid from the pull-tab bank.
⁽³⁾ Pull-tab bank replenishment (for a prior session payment of prizes) from current sales.
⁽⁴⁾ Pull-tab receipts deposited on July 18 [and July 9] were greater than the amount of prizes; all prizes were paid from cash collected.
⁽⁵⁾ Sales of pull-tab game to vendor is recorded by recognizing ideal gross receipts and prizes as sales and prizes, respectively, and recognizing vendor compensation [vendor must pay permittee at least 70% of ideal net upon delivery of game; the remainder of ideal net--not more than 30%--is vendor

Note: The entries will be affected if payment for raffle tickets, pull-tabs, or bingo paper is made by check or credit card [payment with a credit card is an allowed form of payment]. IOUs, other forms of credit, or promises to pay from winnings are not considered payment and are not allowed. In addition, if some prizes are paid by check, the amount deposited on that date will increase and the prize payment will be recorded through check register entries.

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Summary of Operator-Conducted Gaming For Quarter Ended: _____

	Operator 1	Operator 2	Total Amount to be Reported*
	Name	Name	
	License Number	License Number	
The amounts below should be taken directly from Form 0405-843, Schedule A, Column I, Activity Report By Permittee, received from each operator.			
Line 1. Gross Receipts	_____	_____	_____
Line 2. Taxes	_____	_____	_____
Line 3. Prizes	_____	_____	_____
Line 4. Adjusted Gross Income (Gross receipts less taxes and prizes)	_____	_____	_____
Line 5. Game Related Expenses	_____	_____	_____
Line 6. Net Proceeds (Adjusted gross income less game-related expenses)	_____	_____	_____

* Enter the amounts in the Total column on page 1, lines 1 through 6. Attach this schedule to your Quarterly Report.