Charitable Bingo

Notes, Board Questions and Resources

Introduction

- Bingo is a regulated activity in Ohio and requires a license when used to raise funds.
    - License not required when played for amusement only, such as in classrooms.
    - Some exceptions apply for bingo in residential senior centers when certain criteria are met.
- License is needed when participants pay or provide some type of consideration to participate regardless of whether the prize is cash or other items, such as designer purses.
- A license is needed whether the activity takes place weekly or just once a year.

Types of bingo licenses

- Type I – license for the traditional bingo game with balls.
- Type II – license for sale of instant bingo tickets or pull tabs at a Type I (traditional) bingo game.
- Type III – license for the sale of instant tickets separately from a Type I (traditional) bingo game.
    - When charitable organizations partner with local restaurants, bars, gas stations, etc., to sell instant tickets on their behalf, the business must pay the charity the expected proceeds from the ticket sales in advance.
    - Each location must be included on the charitable organization's bingo license
    - Contracts and other requirements are needed to establish these relationships.
- A special type of electronic instant bingo is available, but only for licensed veteran and fraternal organizations.

Eligibility for Bingo Licenses

- Organizations must meet all of the following requirements to be eligible for a bingo license:
  - granted tax exempt status by the IRS as a
    - 501(c)(3)
    - 501(c)(4)
    - 501(c)(7)
    - 501(c)(8)
    - 501(c)(10)
    - 501(c)(19)
  - have been in operation at least two years
  - properly registered with the Ohio Attorney General's Office
- Groups that are not 501(c)(3) organizations must direct portions of their proceeds to 501(c)(3) charities, making the recordkeeping a bit more complicated.
- Nobody can be paid to operate bingo games. It must be volunteer driven. Groups need to determine whether they have an adequate corps of volunteers.
- Internal financial control policies are critical to ensure that the organizations protect bingo funds that support numerous charitable purposes throughout the state.
- Statutory provisions related to bingo are part of Ohio's criminal code, and violations can result in criminal charges:
  - ORC 2915 (https://codes.ohio.gov/ohio-revised-code/chapter-2915)
  - Ohio Administrative Code 109:1 (https://codes.ohio.gov/ohio-administrative-code/109:1)
- The AG's Charitable Law Section provides additional information about bingo licensing and reporting requirements on its web page at https://charitable.ohioago.gov/Charitable-Bingo.
  - The section provides training throughout the state on the licensing and reporting requirements, in addition to best practices related to bingo. Those trainings are also listed on the web page.
  - Additionally, Charitable Law staff members are available to assist organizations considering applying for a first-time bingo license, as well as already licensed groups. Reach out by email to CharitableBingo@OhioAGO.gov.

Board Discussions Related to Bingo

- If your organization is considering bingo and has never had a license, review the Attorney General's Charitable Law Section web page to get an idea of the licensing and reporting requirements. Consider talking with other licensed organizations to get an idea of what kind of commitment is required with each type of bingo license.

- Because people can not be paid to run bingo games, be sure you have an adequate pool of volunteers.

- Whether your organization is already licensed or just considering a license, multiple people must be trained on bingo operations and recordkeeping.
    - We highly recommend volunteers attend our Bingo School Training.

- Some organizations designate someone or a small group of people to serve as the primary bingo game operators or supervisors.
    - While it is critical to have people actively involved in the bingo operations, the entire board has an obligation to provide oversight of the bingo activities.
    - Boards should review routine reports on expenses, prizes, attendance, profits, etc., related to bingo and ensure there are internal controls and procedures in place that assure the safe and reliable operation of bingo activities, as well as compliance with all of the requirements for holding a license.

Resources

- Information about Ohio's bingo licensing and reporting requirements can be found on the Attorney General's Charitable Law Section web page at https://charitable.ohioago.gov/Charitable-Bingo.

- Inquiries can be e-mailed to CharitableBingo@OhioAGO.gov.