

VETERANS OF FOREIGN WARS OHIO CHARITIES FUNDRAISING POLICY

ARTICLE I - AUTHORITY

- SECTION 1** The authority for this Fundraising Policy shall be lodged in the Board of Directors, Paragraph B1 of the Instant Bingo Fundraising Contract, Section 2915.13 and other applicable Sections of the Ohio Revised Code 2915. The Fundraising Policy at all times will be governed by the Articles of Incorporation and the By-Laws of the Veterans of Foreign Wars Ohio Charities (VFWOC.)
- SECTION 2** If there is conflict between the provisions or procedures of this Fundraising Policy and the Articles of Incorporation or the By-Laws of the VFWOC, the Articles of Incorporation shall govern.
- SECTION 3** The Fundraising Policy shall be reviewed annually by the Executive Committee to ensure it is fulfilling its purpose and to make necessary revisions if required. The revisions if found to be necessary are to be submitted to the Board of Directors for approval or disapproval at the annual meeting held in the month of January. Revisions must be immediately submitted and approved when applicable Charitable Gaming Laws or the Attorney General rules are changed or revised.

ARTICLE II - PURPOSE

- SECTION 1** The purpose of the Fundraising Policy is to establish a standard of conduct by VFW Posts, Fraternal Organizations, or any Agent contracted with VFWOC hereinafter referred to as the "Fundraiser", who wish to raise money through the conduct of Traditional Bingo, Instant Bingo, or Electronic Bingo for charitable and benevolent purposes and programs of the VFWOC in accordance with Chapter 1716 and Chapter 109 of the Ohio Revised Codes and Ohio Revised Code 2915.

ARTICLE III - ACKNOWLEDGEMENT OF PARTIES

- SECTION 1** The VFWOC represents and warrants that it is a public charity (not a Private Foundation); and it is an organization, that maintains its principal place of business in the State of Ohio; It is exempt from federal income taxation under subsection 501(a) and described in Section 501(C)3 of the Internal Revenue Code. The VFWOC further represents and warrants that it is in good standing in the State of Ohio in accordance with any rules promulgated by the State of Ohio of the Attorney General Pursuant to Section 2915 of the Ohio Revised Code.

SECTION 2 The Fundraiser understands and acknowledges that in performing the charitable gaming activities contemplated by their Instant Bingo Fundraising Contract with VFWOC, it and its Agents, Board Members, Officers, and Employees who perform such activities will be acting as Agents of the VFWOC and will hold fiduciary responsibilities to the VFWOC and its beneficiaries and purposes.

SECTION 3 The VFWOC and the Fundraiser acknowledges that they are under the obligation to promptly report to the Charitable Law Section, Office of the State of Ohio Attorney General any conduct by the VFWOC, the Fundraisers, any of its Agents, Board Members, Officers, or Employees that violate any Section of 2915 of the Ohio Revised Code or Ohio Administrative Code 109.

ARTICLE IV - OBLIGATION OF PARTIES

SECTION 1 The VFWOC's obligations to the Fundraiser are described in detail in Section C of the Instant Bingo Fundraising Contract. Fundraiser acknowledges that all Agents, Board Members, Officers, or Employees who perform work or labor are bound by terms of the Instant Bingo Fundraising Contract. In addition, the VFWOC Board of Directors:

- A.** Shall provide supervision and training for the personnel assigned the responsibility of the upkeep and maintenance of the Fundraiser's bingo records required by Section 2915.10 of the Ohio Revised Code.
- B.** Shall conduct a minimum of two state-wide Charitable Gaming Schools of Instruction one at the Department of Ohio VFW Convention and one at the Department of Ohio Mid-Winter Conference.
- C.** Shall be available to schedule and conduct Charitable Gaming Schools of Instruction when requested at any location within the state of Ohio.
- D.** Shall be available to assist the Fundraiser in preparing their annual Charitable Organization Registration Statement and annual application for a Charitable Bingo License.

SECTION 2 The Fundraiser's obligation to the VFWOC are described in detail in Sections A and B of the Instant Bingo Fundraising Contract. In addition, the Fundraiser:

- A.** Shall calculate the net profit from the proceeds as applicable of the sale of Instant Bingo Type II, Type III, and Electronic Bingo as of the last day of each month. Distribution shall be made to VFWOC before or no later than the 15th day of the following month.
- B.** Shall transmit annually to VFWOC, no later than the 31st of December, a signed and completed Instant Bingo Contract prepared in compliance with the instructions by VFWOC and the State of Ohio Attorney General's Office.

bingo tickets represents the net profit the Fundraiser will use to calculate the required donation percentage to be sent to VFWOC.

(9) Column M "Cash in Hand" this figure represents the actual amount of gross profit that will be deposited into the instant bingo checking account(s).

(10) Column N "Cash Over or Short" subtract Column M from L. This figure represents a loss or gain in the operational expense portion of the net profit distribution. This figure should be used by the Fundraiser for internal control of gaming funds. The Fundraiser must set the standard as to what percentage is an acceptable loss before action is taken to correct the problem.

(11) Column O "Cost of Tickets per Deal"

SECTION 3 Fundraiser cannot possess a deal of instant bingo tickets or cards that was not purchased from a distributor licensed under Section 2915.081 of the Revised Code as reflected on an invoice issued by a distributor that contains all of the information required by paragraph F 2915.10 of the Revised Code.

ARTICLE VI- OPERATIONAL RESPONSIBILITY - ELECTRIC BINGO

SECTION 1 A Fundraiser that is authorized under Section 2915.14 of the Revised Code to conduct Electronic Instant Bingo (E Bingo) may be issued only one license to conduct E Bingo at any one time.

SECTION 2 The Fundraiser cannot permit any person whom the Fundraiser knows, or should have known, is under the age of eighteen to work as a Bingo Game Operator. The Fundraiser cannot permit any person whom the Fundraiser knows or should have known has been convicted of a felony or gambling offense in any jurisdiction to be a Bingo Game Operator.

SECTION 3 The Fundraiser should not conduct E Bingo on any day, time, or at any premises not specified on the Fundraiser's license. The Fundraiser can amend a Bingo license at any time by requesting an amendment through the Attorney General's office.

SECTION 4 Fundraisers are to ensure that assets associated with the operation of the E Bingo system are safeguarded and the following provided.

A. Financial records are accurate and reliable.

B. A separate cash register and safe for all E Bingo monies - if there is not a separate safe available E Bingo monies are to be contained in a separate pouch or container inside of the safe.

ARTICLE V- OPERATIONAL RESPONSIBILITY - TYPE I AND TYPE II

SECTION 1 Section 2915.10 paragraph A, paragraph D(1) through (7), and paragraph B provides rules for record retention. No charitable organization that conducts bingo or game of chance shall fail to maintain records for at least three years from the date on which the bingo or game of chance is conducted.

SECTION 2 The Attorney General has granted the Fundraiser the privilege of distributing the operational expense percentage of the net profit, as described in A(6) below into the Fundraiser's general account. Provided the Fundraiser accounts for the sale of instant bingo tickets on the Attorney General's "Approved Instant Ticket Tracker Ledger Form" or an Instant Bingo Tracker Software Program or machine that has been approved for use by the Ohio Attorney General.

(1) Use one Approved Instant Ticket Tracker Ledger Form for sale of Type III Bingo, and if applicable use the second form for the sale of Type II Bingo.

(2) The Information for column's A,B,C,D,E,F and G is located on the invoice provided by your distributor.

(3) Column H "Total Value Unsold Tickets". If all the tickets in the deal are sold enter 0 in this column. This column is used when the Fundraiser decides to remove a deal of instant bingo tickets from play. Section 2915.091(15) authorizes the Fundraiser to remove a deal of instant bingo tickets from play provided:

(a) Once a deal of instant bingo tickets or cards have been opened to continue to sell tickets or cards in the deal until the tickets or cards with the top two highest tiers of prizes in that deal are sold.

(b) The unsold tickets from a deal where the top two highest tiers of prizes in the deal are sold and the deal is closed must be retained in storage and the paid prizes tickets are placed in storage for a period of not less than 3 years.

(4) These tickets must be retained in storage, due to the fact that the adjustment in the income figures from the sale of the instant bingo deal of tickets must be proven.

(5) Column I "Modified Gross Receipts": Subtract Column F from Column H.

(6) Column J "Total Cash Prizes Paid". Enter the value of the paid prize winning tickets in the deal. If the deal of tickets was not sold out, then the paid prize winning tickets must be stored as directed in paragraph (3)(b) above.

(7) Column K "Total Cost of Merchandise Prizes Paid"

(8) Column L "Gross Profit" subtract Column I minus Column J minus Column K. This figure represents the calculated gross profit. This figure less the cost of instant bingo tickets represents the calculated gross profit. This figure less the cost of the instant

- C. Access to cash register and safe are limited to E Bingo Operator listed on the E Bingo License and application.
- D. Access to the E Bingo system is limited to authorized personnel.
- E. A log must be maintained for access to each device with the date and reason for access with the initials of the person who accessed the device.
- F. A ticket voucher is only valid for 24 hours of the end of the E Bingo session in which it was won. If the ticket voucher was received the day before the Fundraiser is closed the ticket is to be paid out on the day of the sale in order to meet the 24 hour deadline.
- G. The Internal Control Procedures must be in writing and are required to be submitted with the Attorney General's Quarterly reports on the quarters designated by the Attorney General.

SECTION 5 Each Fundraiser licensed to play E Bingo should have at least two Electronic Instant Bingo Game Operators and one Primary Bingo Game Operator designated on their Bingo License.

ARTICLE VII - CHECKING ACCOUNTS

SECTION 1 Section 2915.10, paragraph 7(c) of the Ohio Revised Code states: The net or gross profit from each bingo session or game shall be deposited into a checking account devoted exclusively to the bingo session or game.

SECTION 2 The Fundraiser shall maintain one checking account devoted exclusively for the deposit of the Cash on Hand from the sale of Type III instant Bingo and if applicable, maintain a second checking account devoted exclusively for the deposit of Cash on Hand from the sale of Type II Instant Bingo.

SECTION 3 The Fundraiser will maintain if applicable a third checking account devoted exclusively for the deposit of cash from the E Bingo operations.

- A. These checking accounts shall be maintained under the Fundraiser's IRS Employer Identification Number (EIN).
- B. The Custodian (s) responsible for the funds in these checking accounts shall be the individual (s) as directed by the Fundraiser's By-Laws.
- C. The activities in these accounts are reportable on the Fundraiser's IRS Form 990.

ARTICLE VIII - FUNDRAISING CONTRACT

- SECTION 1** The Attorney General by rule, shall establish a standard contract to be used by a Charitable Organization and the Fundraiser for the conduct of Traditional Bingo, Instant Bingo, and E Bingo. The terms of the Contract shall be limited to the provisions in Chapter 2915 of the Ohio Revised Code.
- SECTION 2** The original contract shall be effective on the date specified in the contract and shall remain in effect until the 31st of December of the same year. The renewal contract shall be effective on an annual basis beginning January 1 each year and will remain in effect until the 31st of December of that same year.
- SECTION 3** The Board of Directors require that the Fundraiser agree and so state in the contract to submit to VFWOC the full percentage of the net profit as applicable in the contract and in Section 2915.101 of the Ohio Revised Code.
- SECTION 4** The organization shall distribute the net profit from the proceeds of the sale of Instant Bingo or E Bingo as follows, after deducting only the amounts actually expended for the payment of prize awards and the ordinary, necessary, and reasonable amounts expended for the purpose of supplies as follows:
- A. The first \$330,000 dollars or less of the net profit from the proceeds of the sale of Instant Bingo generated during the bingo reporting year Twenty-five (25%) shall be distributed to VFWOC on a monthly basis.
 - B. For any net profit from the proceeds from the sale of Instant Bingo that exceeds \$330,000 dollars of net profit generated in a Bingo reporting year at least fifty percent (50%) shall be distributed to VFWOC on a monthly basis).
- SECTION 5** The principal person of the Fundraiser's Organization shall complete and sign the Fundraiser's portion of the contract and send a copy of the signed and completed contract to VFWOC 35 East Chestnut, STE 505, Columbus, Ohio 43215. The contract can also be sent electronically to the office staff of VFWOC.
- SECTION 6** The VFWOC or the Fundraiser may voluntarily terminate the contract upon 30 days prior notice for any reason whatsoever. The Party that initiates the termination of the contract shall promptly notify the Charitable Law Section of the Ohio Attorney General's office.
- SECTION 7** Any and all funds recovered by the Attorney General's Office for fraud or deceiving the VFWOC of monies unlawfully will not be returned to the Agent.

ARTICLE IX - CHARITABLE REGISTRATION

- SECTION 1** Prior to engaging in fundraising activities and annually thereafter, the Fundraiser shall file a Charitable Organization Registration Statement and pay a registration fee, with the Attorney General, in compliance with the requirements of Chapter 1716.02.
- SECTION 2** The annual registration statement shall be filed on or before the fifteenth day of the fifth month after the close of each fiscal year or by the date of any applicable extension of the federal filing date, whichever is later.
- SECTION 3** The Fundraiser may complete their Charitable Registration Statement online. If the Fundraiser submits online with an electronic payment by 11:59pm the fifteenth day of the fifth month following the close of the taxable year end will not be assessed a late fee.
- SECTION 4** With the initial registration only, the Fundraiser is required to register with the Attorney General: A copy of the current charter, articles of incorporation, agreement of association, instrument of trust, constitution or other organization instrument, and a copy of the by-laws of the Fundraiser.

ARTICLE X - BINGO LICENSE APPLICATIONS

- SECTION 1** Annually before the first day of January the Fundraiser that desires to conduct bingo shall apply to the Attorney General for one or more of the following licenses to conduct Bingo as appropriate:
- A. A Type I license to conduct bingo as described in Division (O)(1) of Section 2915.01 of the Ohio Revised Code .
 - B. A Type II license to conduct instant bingo, electronic bingo, or both at a bingo session.
 - C. A Type II license to conduct instant bingo, electronic instant bingo, or both other than at a Bingo session, in accordance with the Sections 2915.093 to 2915.095 and Sections 2915.15 of the Revised Code, as applicable.
 - D. A Fundraiser that is authorized under Section 2915.14 of the Revised Code to conduct electronic instant bingo at any one time. The Fundraiser may conduct electronic instant bingo under that license at only one location specified on the license, which shall be the Fundraisers principal place of business.

- SECTION 2** The Fundraiser limits the sale of instant bingo or electronic instant bingo to twelve hours during a day, provided the sales does not begin earlier than ten a.m. and ends no later than two a.m.
- SECTION 3** The Fundraiser that submits the application for a charitable bingo license before the due date may continue selling instant bingo tickets and conducting electronic bingo until they receive a temporary or permanent license for that Charitable Gaming year.
- SECTION 4** The Fundraiser that fails to submit their application for a Charitable Bingo License by the due date **MUST** discontinue selling instant bingo tickets and conducting electronic bingo until they receive a temporary or permanent license for that Charitable Gaming Year.
- SECTION 5** The Fundraiser will complete the application for the Charitable Bingo License online through the Ohio Attorney General’s Licensing Portal.

ARTICLE XI - LICENSING FOR CHARITABLE GAMING

- SECTION 1** In order to be licensed for Charitable Gaming the Fundraiser must:
- A. Have a current Articles of Incorporation and Certificate of Continued Existence.
 - B. Be in “Good Standing” with the parent organization. VFW VFWOC agents in order to be in “Good Standing” must have all quarterly audits up-to-date, insurance, bond and Certificate of Continuing Existence up-to-date and on file with the VFW Department of Ohio.
 - C. Fundraisers other than the VFW Fundraisers need to determine and comply with their Parent organizations rules for “Good Standing”.

ARTICLE XII - ELECTRONIC BINGO REQUIREMENTS

- SECTION 1** Agents of VFWOC can only obtain electronic instant bingo supplies from a licensed and Ohio Attorney General endorsed electronic instant bingo distributor.
- SECTION 2** Agents must apply for their Charitable Gaming License online at the Attorney General’s Charitable Account Management Portal <https://charitableportal.ohioago.gov>
- SECTION 3** Each Agent licensed to play electronic instant bingo must have, a least two electronic Instant Bingo Operations. Under Proposed Rule OAC 109:1-4-20, for purpose of Chapter 2915 of the Revised Code “Bingo Game Operator” of electronic instant bingo means any person who sells or redeems electronic instant bingo, tickets, credits, or vouchers, or who accesses an electronic instant bingo system or electronic instant bingo fund other than as a participant.