

**Technical Amendment
November 22, 2019**

820 KAR 1:055. Charity fundraising event standards.

RELATES TO: KRS 238.505, 238.515, 238.535, 238.545, 238.547

STATUTORY AUTHORITY: KRS 238.515 238.545

NECESSITY, FUNCTION, AND CONFORMITY: The Department of Charitable Gaming is authorized by KRS 238.515 to establish and enforce reasonable standards for the conduct of charitable gaming. This administrative regulation establishes standards, fees, and procedures for the conduct of charity fundraising events and special limited charity fundraising events.

Section 1. Charitable Fundraising Event Licensing and Standards. (1) At least thirty (30) days prior to the scheduled date for a charity fundraising event, a licensed charitable organization shall submit a complete and accurate application on Form CG-Schedule A, Charity Fundraising Event or Special Limited Charity Fundraising Event License Application.

(2) Each application for licensure under this administrative regulation shall be accompanied by:

- (a) A twenty-five (25) dollar fee; and
- (b) A copy of the executed lease for the charitable gaming facility, if applicable.

(3) The department shall issue a license if the applicant:

- (a) Possesses a regular charitable gaming license; and
- (b) Has met the requirements for licensure established in KRS 238.505.

(4) The event shall not be advertised nor preregistrations taken until a license is issued.

(5) Once a license is issued, players may preregister for the event prior to the day of the event only if payment is received by the charitable organization.

(6) Charity game tickets shall not be an approved game of chance at a charity fundraising event held by an exempt charitable organization.

Section 2. Special Limited Games Played at a Charity Fundraising Event. The department shall grant approval to play special limited games at a charity fundraising event if the information contained in the application shows that the event meets the requirements of KRS 238.545.

Section 3. Volunteers. (1) All individuals involved in the conduct of a charity fundraising event or a special limited charity fundraising event shall be trained in the proper conduct of the game and the control of funds.

(2) The chairperson shall:

- (a) Be in charge of the charity fundraising event or special limited charity fundraising event;
- (b) Supervise and direct all volunteers; and
- (c) Be responsible for assuring the proper receipt and recording of gaming funds.

Section 4. Equipment Used for Events. (1) Poker tables, blackjack tables, prize wheels, and chips, scrip, or imitation money shall not be considered charitable gaming supplies or equipment and may be purchased from ordinary sources of supply. The licensed charitable organization shall not pay for poker tables, blackjack tables, prize wheels or chips, scrip, or imitation money from the charitable gaming account.

(2) Roulette wheels and craps tables shall be considered charitable gaming supplies and shall be obtained from a licensed distributor. The licensed charitable organization shall pay for

roulette wheels and craps tables from the charitable gaming account.

(3) If special limited charity games are played, the licensed charitable organization shall provide the department with a copy of the executed contract for the use of those supplies no later than thirty (30) days following the event. This contract shall specify exactly the items provided, at what cost, and from whom.

Section 5. Expenses. (1) The licensed charitable organization shall pay the gaming expenses for the charity fundraising event or special limited charity fundraising event from the gaming account. All other expenses shall be paid from the general account.

(2) If an expense is both a gaming expense and a general expense, the expense shall be prorated pursuant to the amount of gross receipts obtained from gaming and nongaming events. The full amount shall be paid from the general account and the amount attributable to gaming shall be reimbursed from the gaming account to the general account.

(3) Food, beverages, and other items provided to participants without additional payment at an event where only gaming activity takes place shall be considered a promotional expense, if all participants are equally eligible.

Section 6. Special Limited Charity Fundraising Event Licensing and Standards. (1) A licensed charitable organization shall submit a complete, accurate, and documented application on Form CG-Schedule A, Charity Fundraising Event or Special Limited Charity Fundraising Event License Application, for a special limited charity fundraising event, at least thirty (30) days prior to the scheduled date for the event.

(2) A fee of twenty-five (25) dollars shall accompany each application for licensure under this administrative regulation.

(3) When the application is filed, the licensed charitable organization shall provide the department with a copy of the executed lease for a licensed gaming facility, if applicable.

(4) The department shall issue a license, if the applicant possesses a regular charitable gaming license and has met the requirements for licensure established in KRS 238.505.

(5) The event shall not be advertised nor preregistrations taken until a license is issued.

(6) Once a license is issued, players may preregister for the event prior to the day of the event only if payment is received by the licensed charitable organization.

(7) A central bank shall be maintained in accordance with KRS 238.547.

(8) For all games that require a central bank to be used:

(a) The amount of money received for selling chips, scrip, or imitation money shall be the gross receipts;

(b) All chips, scrip, or imitation money redeemed shall be the payouts; and

(c) All money remaining shall be the adjusted gross receipts.

(9) Games requiring a predetermined amount of chips, scrip, or imitation money shall be pre-counted. Accurate records shall be kept of all chips, scrip, or imitation money sales, whether the sale is an initial entry fee or a later purchase of chips, scrip, or imitation money.

(10) If the special limited charity games are played as a tournament, then:

(a) A record of attendance shall be kept for the special limited charity games; and

(b) The cost to enter, the cost of the buy backs, the cost of the add ons, the rules of the game, the manner for raising blinds or closing tables, and the prizes shall be listed on the gaming session program. The prizes may be listed as a percentage of the receipts.

Section 7. Incorporation by Reference. The following items are incorporated by reference:

(1) Form CG-Schedule A, "Charity Fundraising Event or Special Limited Charity Fundraising Event License Application (2019) [~~2018~~]", is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Charitable Gaming, Public Protection Cabinet, 500 Mero Street ~~2NW24[132 Brighton Park Boulevard]~~, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (32 Ky.R. 816; 1292; 1654; eff. 3-31-2006; 33 Ky.R. 3526; 34 Ky.R. 265; eff. 8-31-2007; 40 Ky.R. 1480; 2140; eff. 4-4-2014; 42 Ky.R. 946, eff. 1-4-2016; 44 Ky.R. 2681; 45 Ky.R. 1600; eff. 1-4-2019; TAm eff. 11-22-2019.)