

820 KAR 1:060. Prohibited conduct.

RELATES TO: KRS 238.510, 238.540, 238.550

STATUTORY AUTHORITY: KRS 238.515

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 prohibits tips or other gratuities for volunteers working at charitable gaming events and prohibits employees of the Department of Charitable Gaming from playing any charitable games, removing any potential conflict of interest or appearance of impropriety.

Section 1. Tipping Prohibited. (1) The charitable organization conducting gaming shall take one (1) or more of the following measures to inform the public that, pursuant to KRS 238.540(4), its volunteers are unable to accept tips or other forms of gratuities:

- (a) Post signs in a conspicuous location that volunteers are not permitted to accept tips;
- (b) State prominently on the charitable gaming session program that volunteers are not permitted to accept tips; or
- (c) Announce during the charitable gaming session that volunteers are not permitted to accept tips.

(2) Except as provided in subsection (3) of this section, a charitable organization shall not pay remuneration or expenses other than those authorized in KRS 238.550(4), award, or otherwise provide any sort of benefits, to, for, or on behalf of any person engaged as a volunteer in the conduct of charitable gaming.

(3) A charitable organization may provide volunteer workers the following:

- (a) Food or drink of incidental value not to exceed fifteen (15) dollars per day to be consumed on the premises where charitable gaming occurs;
- (b) Any article of clothing worn by the volunteers on the premises where charitable gaming occurs that identifies the volunteer worker as a volunteer; and
- (c) Any noncash item not to exceed twenty-five (25) dollars in fair market value given to volunteers upon achievement of predetermined goals in the conduct of a raffle.

(4) All allowable expenditures made by charitable organizations for volunteers shall be reported on the charitable organization's financial reports.

Section 2. Rebuttable Presumption of Compensation. (1) There is a rebuttable presumption of compensation if a person volunteers at more than four (4) charitable gaming sessions a week excluding charity fundraising events as defined in 820 KAR 1:055.

(2) There is a rebuttable presumption of compensation if a person volunteers at more than four (4) special limited charitable fundraising events per year.

Section 3. Department Employees Prohibited From Playing Charitable Games. (1) No Department of Charitable Gaming employee, during his term of employment, shall play any charitable game authorized in KRS Chapter 238 unless the employee's participation in the game is authorized in advance by the Commissioner as a necessary function of the employee's job duties.

Section 4. Officers, Agents, or Employees of Manufacturers and Distributors. (1) No distributor, distributor's agent, or distributor's employee may play or participate in any charitable gaming in the Commonwealth of Kentucky involving products sold or leased by the distributor while such person is employed by a licensed distributor.

(2) No manufacturer, manufacturer's agent, or manufacturer's employee may play or participate in any charitable gaming in the Commonwealth of Kentucky involving products made, sold, or leased by the manufacturer while such person is employed by a licensed manufacturer.

(3) Servicing of electronic gaming devices shall not be considered conduct or participation in charitable gaming. (22 Ky.R. 442; eff. 10-13-1995; 1412; eff. 11-8-1996; Recodified from 500 KAR 11:060, 2-23-1999; 32 Ky.R. 772; 1661; eff. 3-31-2006; 45 Ky.R. 2690; 45 Ky.R. 724, 1607; eff. 1-4-2019.)