



# STATE OF CONNECTICUT

## Department of Consumer Protection

CHARITABLE GAMES

165 Capitol Avenue

HARTFORD, CONNECTICUT 06106

May 28, 2013

Dear Sealed Ticket Permittee:

Below please find important regulatory requirements which you must conform to while engaging in the sale of sealed ticket games permitted by the Department of Consumer Protection.

### **Special Sealed Ticket Bank Account, Check Requirements**

Pursuant to Section 7-169h-21 of the Administrative Regulations, Distribution And Sale Of Sealed Tickets, proceeds from sealed ticket sales by SA, SM, SC or SE permit holders must each be kept in a separate special sealed ticket bank account which shall be in the form of a checking account. All receipts from sealed ticket sales, less the amount awarded as cash prizes, shall be deposited in the appropriate special sealed ticket account.

**All special sealed ticket bank account checks must have the name of the permitted organization and the words 'Special Sealed Ticket Bank Account' imprinted on them. In addition, the organization's 7-digit identification number (Example #1700005) must also be printed on the face of each check. When addressing the identification number, please do not get confused and make the identification number your permit number by adding a dash, the year, and your permit letters (Example: 1700005-13SA). Such an error will jeopardize the approval of your checks. Furthermore, the checks for an SA weekly permit must also have "Weekly" printed on them, the checks for an SM monthly permit must have "Monthly" printed on them, the checks for an SC bar permit must have "Bar" printed on them, and the checks for an SE "special event" permit must have "Event" printed on them.** (See sample checks enclosed). While the attached sample checks contain an organization's address because it is useful information, it is not a requirement that the checks contain your organization's address. The Department will not accept checks that do not conform to these requirements.

All receipts from sealed ticket sales, less the amount awarded as cash prizes, shall be deposited into this account no later than three business days, for sealed ticket activity in conjunction with bingo (SA) (SM), and weekly, for sealed ticket activity in conjunction with club liquor permits (SC) or with special event permits (SE).

The **commingling of any funds derived from the sale of sealed tickets** with any other funds of the permitted organization **is strictly prohibited**. This means sealed ticket account funds **may not** be transferred to a general fund account, unless as a disbursement addressed below!

Money shall be **withdrawn** from the special sealed ticket account **for the following purposes only:**

- (1) Payment of expenses which are reasonable and necessary and ordinarily incidental to the sale of sealed tickets.
- (2) Disbursement from net proceeds for charitable, civic, educational, fraternal, veterans', religious, volunteer fire department or grange purposes.

The following are allowable expenses:

- sealed ticket permit fees
- the purchase of sealed tickets
- the purchase of sealed ticket dispensing machines
- the rental of sealed ticket dispensing machines
- service on sealed ticket dispensing machines
- such other expenses as may be approved by the Department's Charitable Games Director upon written request.

Disbursements from net proceeds may only be in the form of a donation or a contribution.

### **Sealed Ticket Record Keeping, Audit Procedures**

In furtherance of Section 7-169h-20 of the Administrative Regulations, Distribution And Sale Of Sealed Tickets, the following manner of record keeping is hereby prescribed for sealed ticket permittees of the Department of Consumer Protection. Each sealed ticket permittee is to maintain the following records:

1. Sealed Ticket Purchase Order copies to support all purchases.
2. A permanent record consisting of the date of sales activity, the dollar amount of sales for that specific date of activity, and each prize paid to patrons redeeming winning tickets.
3. A bank check register showing entries of deposits, replenishment of a cash bank, expenses, donations and adjustments; monthly bank statements; canceled checks; and deposit slips for the current month for which a bank statement has not yet been received.
4. Receipts for all allowable expenses.

**All records incidental to the sale of sealed tickets shall be retained by the permitted organization and be available for inspection by the Director of the Department or his authorized representative, for a period of five years from the close of the calendar year to which the records apply.**

We perform audits of each sealed ticket permittee, periodically, to ensure the integrity of activity. When your organization is due for an audit, it will be contacted in order that a time and date may be established for the audit. All required records and ticket inventory must be available at the time of an audit.

If a permittee elects to withdraw a particular game packet permanently, the partial packet and winning tickets must be retained until an audit is performed and destruction instructions are issued by the Charitable Games Director.

## Tickets

Every sealed ticket permit requires its own inventory to be purchased specifically for that particular permit. For example, sealed tickets purchased in conjunction with a “Class A” bingo cannot be sold at a bazaar or at a “Class B” bingo.

Partial packets of tickets (either withdrawn from sale or actually on sale) are to be held by the permittee, along with ALL WINNING TICKETS PAID OUT, until the game packet is sold out. Games cannot be removed from sale prior to the high tier prizes being redeemed. This includes sealed card games and bingo event games.

Minors cannot purchase or claim winnings from sealed tickets. Organizations cannot sell or distribute sealed tickets to minors.

## Application to Amend

If sealed tickets are permitted in conjunction with another activity, such as a bingo session or bazaar event, and the bingo or bazaar permittee submits an amend form to “close” or change operating dates, the associated sealed ticket permittee must also amend its permit to “close” or change the same operating dates. Numerous organizations are canceling sealed ticket sales for periods ranging from several weeks to several months, without notifying the Department. It is extremely difficult for the State to effectively regulate when it does not know when organizations are conducting their activity. **Organizations need to be aware that pursuant to Sec. 7-169h-22 of the sealed ticket regulations, sealed ticket sales may not be conducted under conditions other than as stated in the original application for a sealed ticket permit. Accordingly, sealed ticket permits in conjunction with “Class A” bingo permits canceling sealed ticket sales for more than a two week period, must file an application to amend with the Department in order that agency records can accurately reflect when sealed ticket sales activity is or is not being conducted. In addition, each sealed ticket permit in conjunction with a “Class C” bingo permit or bazaar permit is required to file an application to amend whenever sealed ticket sales are not going to be operated in conjunction with an approved “Class C” bingo or bazaar activity, as scheduled.** Dates, days or times when sealed tickets will be sold is information, which the Department’s Director reasonably requires for the protection of the public, and our records must be as accurate as possible.

It is important to understand that the information that the Department approved in conjunction with your application submittal has been cast in concrete, so to speak. That is to say that any changes to any of the information approved as a part of your permit application may only be changed upon the approval of an Application to Amend – Sealed Tickets (CGS-5) form submitted to the Department. That is a statutory and a regulatory requirement. Each organization desiring to amend any information contained on its approved application for a permit, must submit the aforementioned CGS-5 form, along with any necessary attachments. (All amendments will be addressed in a priority manner and transmitted back to you in order that you may implement your desired change or changes as quickly as possible. **You must possess an approved Application to Amend before implementing any change.**

questions on these requirements, Monday through Friday, 7:00 am until 4:00 pm, at (860) 713-6140.

Very truly yours,

Viola Pietrandrea  
License and Applications Supervisor  
Charitable Games Unit

VP/jbs

Enclosure

**“SA” (Weekly) Permittees use this format:**

<b>Special Sealed Ticket Bank Account I.D. #1700005</b>	<b><u>Weekly</u></b>	<b><u>51-3999</u></b>	<b>1055</b>
St. John's Church - Men's Club		3402	
263 Cedar Mountain Road, Anytown, CT 06000			
	DATE:	_____	
PAY TO			
THE ORDER OF:	_____	\$ _____	
			_____ DOLLARS
<b>The First National Bank</b>			
MEMO _____	SIGNED _____		
:340239991  :10 0013718900   ' 1055			

**“SM” (Monthly) Permittees use this format:**

<b>Special Sealed Ticket Bank Account I.D. #1700005</b>	<b><u>Monthly</u></b>	<b><u>51-3888</u></b>	<b>1080</b>
St. John's Church - Men's Club		3904	
263 Cedar Mountain Road, Anytown, CT 06000			
	DATE:	_____	
PAY TO			
THE ORDER OF:	_____	\$ _____	
			_____ DOLLARS
<b>The First National Bank</b>			
MEMO _____	SIGNED _____		
:390438881  :20 0014817900   ' 1080			

**“SC” (Bar) Permittees use this format:**

<b>Special Sealed Ticket Bank Account I.D. #1700005</b>	<b><u>Bar</u></b>	<b><u>51-2777</u></b>	<b>1650</b>
St. John's Church - Men's Club		3806	
263 Cedar Mountain Road, Anytown, CT 06000			
	DATE:	_____	
PAY TO			
THE ORDER OF:	_____	\$ _____	
			_____ DOLLARS
<b>The First National Bank</b>			
MEMO _____	SIGNED _____		
:380627771  :30 0012716200   ' 1650			

**“SE” (Event) Permittees use this format:**

<b>Special Sealed Ticket Bank Account I.D. #1700005</b>	<b><u>Event</u></b>	<b><u>51-2555</u></b>	<b>1260</b>
St. John's Church - Men's Club		<b>3604</b>	
263 Cedar Mountain Road, Anytown, CT 06000			
	DATE: _____		
PAY TO			
THE ORDER OF: _____		\$ _____	
			_____ DOLLARS
<b>The First National Bank</b>			
MEMO _____	SIGNED _____		
:360425551  :20 0013714900   ' 1260			