

TITLE 15 GAMBLING AND LIQUOR CONTROL
CHAPTER 4 BINGO AND RAFFLES
PART 10 ACCOUNTING REQUIREMENTS

15.4.10.1 ISSUING AGENCY: New Mexico Gaming Control Board.
[15.4.10.1 NMAC - Rp, 15.4.10.1 NMAC 2/23/2021]

15.4.10.2 SCOPE: This rule applies to all persons subject to regulations promulgated under the New Mexico Bingo and Raffle Act by the New Mexico gaming control board.
[15.4.10.2 NMAC - Rp, 15.4.10.2 NMAC 2/23/2021]

15.4.10.3 STATUTORY AUTHORITY: Authority for this rule derives from the New Mexico Bingo and Raffle Act Section 60-2F-3 NMSA 1978. Subsection H of 60-2F-6 NMSA 1978 authorizes the board to adopt rules to implement the New Mexico Bingo and Raffle Act and to ensure that games of chance conducted in New Mexico are conducted with fairness and that the participants and patrons are protected against illegal practices on any premises.
[15.4.10.3 NMAC - Rp, 15.4.10.3 NMAC 2/23/2021]

15.4.10.4 DURATION: Permanent.
[15.4.10.4 NMAC - Rp, 15.4.10.4 NMAC 2/23/2021]

15.4.10.5 EFFECTIVE DATE: February 23, 2021, unless a later date is cited at the end of a section.
[15.4.10.5 NMAC - Rp, 15.4.10.5 NMAC 2/23/2021]

15.4.10.6 OBJECTIVE: This rule establishes standards for accounting and financial reporting procedures for bingo, raffle and pull-tab licensees under the New Mexico Bingo and Raffle Act.
[15.4.10.6 NMAC - Rp, 15.4.10.6 NMAC 2/23/2021]

15.4.10.7 DEFINITIONS: See 15.4.1.7 for all applicable definitions.
[15.4.10.7 NMAC - Rp, 15.4.10.7 NMAC 2/23/2021]

15.4.10.8 AUDIT PROCEDURES:

- A.** The board or its agents shall:
- (1)** conduct audits on quarterly report forms and supporting documents, periodic and special audits or reviews of the books and records of licensees, examine the books and records of any licensee when conditions indicate the need for such action or upon the request of the board;
 - (2)** review and observe methods and procedures used by licensees, which can include the counting or handling cash or cash instruments; and
 - (3)** determine each licensee's compliance with the act and board rules.
- B.** Audits shall be conducted in conformity with generally accepted auditing standards and compliance standards as established by the board.
- C.** If not in compliance, the licensee will have 15 days, after receiving notification from the board or its agents, to submit the required supporting documentation or prepare and submit an amended quarterly report.
- D.** During the audit, should it be determined that an error on the report resulted in an under or over reporting of tax, the board or its agents shall report its findings to the New Mexico taxation and revenue department, per requirements set forth in the Tax Administration Act and to the licensee.
- E.** Each licensee shall submit a complete quarterly report for each quarter it holds a valid bingo and raffle license. If a licensee has no bingo, raffle or pull-tab activity during any quarter, for whatever reason, the licensee shall submit a zero activity report for that quarter by the prescribed deadline.
- F.** A licensed distributor shall keep and maintain a complete set of records which shall include details of all activities of the distributor related to the conduct of the licensed activity as may be required by the board, including the quantities and types of bingo equipment, bingo paper, pull-tabs and associated supplies purchased and sold. Such records shall be available upon request by the board or its agents and shall be retained in accordance with Section 15.4.10.12 NMAC.
[15.4.10.8 NMAC - Rp, 15.4.10.8 NMAC 2/23/2021]

15.4.10.9 ACCOUNTING PROCEDURES:

- A.** All information set forth in the act is required to be documented on forms prescribed by the board.
- B.** The licensee shall separately account for the gross receipts from all games of chance on the prescribed quarterly report forms.
- C.** Each licensee shall maintain a bingo operating account to be used for all games of chance. All gross receipts shall be deposited and all disbursements shall be made from this account.
- D.** A licensee must have at least one separate general operating account in addition to a bingo operating account.
- E.** Funds from games of chance shall not be co-mingled with any other funds used by the licensee.
- F.** The bingo operating account shall have an end-of-month cutoff date.
- G.** The licensees shall reconcile bank statements monthly.
- H.** Licensees shall use a check, not a debit card, ATM card or any form of electronic transfer to pay any expense out of the bank operating account unless an electronic payment is required by IRS, federal, state or, bank regulations or an automated payroll system that uses direct deposits to employees' accounts.
- I.** If a licensee elects to pay bingo and raffle payroll using direct deposit, the licensee shall maintain adequate records to document each individual transaction and will provide all copies of such deposit record transactions with the corresponding bingo and raffle quarterly report form. If an independent bookkeeping or payroll company is used, the licensee shall keep a copy of the agreement that authorizes them as the assigned agent to perform these duties.
- J.** Licensees with pull-tab dispensers shall empty and reconcile the receipts and payouts weekly and at the end of each month. The bingo manager shall ensure the audit printout is legible and retained in its original condition.
- K.** The gross receipts from all games of chance conducted during a bingo occasion shall be deposited into the bingo operating account no later than the next business day. Gross receipts from pull-tab dispensers shall be deposited into the bingo operating account on a weekly basis and at the end of each month.
- L.** Licensees utilizing pull-tab dispensers without a concurrent bingo occasion shall complete an approved record as defined in 15.4.1.7 NMAC for each pull-tab dispenser on a weekly basis.
- M.** Deposit records must be sufficient to allow a determination of deposits made from each occasion and each game of chance.
- N.** Signature stamps shall not be allowed.
- O.** Pre-signed checks shall not be allowed.
- P.** Checks shall be consecutively numbered and signed by two authorized persons.
- Q.** No check shall be drawn to "cash" or a fictitious payee. All checks used to withdraw funds from the bingo operating account to replenish prize payouts or the change fund shall be made payable to the licensee and the memo section shall state "prize payouts" or "change fund".
- R.** A perpetual inventory of the bingo paper and pull-tabs shall be maintained by the bingo manager on a form approved by the board.
- S.** All bingo paper and pull-tab not intended for sale due to defect, damage or any other reason shall be segregated, and destroyed or returned to a licensed distributor:
 - (1)** prior to the segregation or destruction of any bingo paper and pull-tabs:
 - (a)** the material shall be inventoried and recorded on a form approved by the board;
 - (b)** the form signed by the highest ranking officer of the licensee that does not hold a valid staff permit; and
 - (c)** the form shall be submitted to the board's audit division.
 - (2)** all bingo paper and pull-tab returned to a licensed distributor shall:
 - (a)** be inventoried and recorded on a form approved by the board;
 - (b)** have this form signed by a representative of the licensed distributor;
 - (c)** any monies paid by the distributor to the operator for returns shall not be subject to the bingo and raffle tax; and
 - (d)** segregated pull-tabs and documentation regarding the return of pull-tabs to a licensed distributor or the destruction of pull-tabs shall be retained pursuant to Section 15.4.1.12 NMAC.
- T.** All unaccounted for bingo paper and pull-tabs may be subject to the bingo and raffle tax.
- U.** Bingo paper and pull-tab inventories shall not be stored or in any way comingled with the bingo paper and pull-tabs of any other licensee.

V. Any deposits made into the bingo operating account from the organization's general operating account for the purpose of sustaining bingo, pull-tab and raffle activity shall be noted on the deposit slip. These deposits are not considered to be bingo and raffle activity receipts and therefore, not subject to bingo and raffle tax. [15.4.10.9 NMAC - Rp, 15.4.10.9 NMAC 2/23/2021]

15.4.10.10 QUARTERLY REPORTS:

A. The licensee shall submit quarterly bingo and raffle activity reports for all games of chance on the prescribed forms on or before but no later than the 25th day of April, July, October and January. If any due date falls on Saturday, Sunday or legal holiday, the due date is the next business day.

B. Licensees shall provide bank statements, images of the front of all cleared checks, and images of the front of all deposit slips for the period that corresponds with each report.

C. Each quarterly report shall be submitted with the required supporting documentation in the following order:

- (1) quarterly report form;
- (2) supplement forms;
- (3) bank statements for each month;
- (4) copies of all check images and deposit slip images; and
- (5) copy of quarterly tax coupon.

D. If a licensee fails to file quarterly reports within the time required, or if the reports are not properly verified, accurate, and complete, the licensee's license may be suspended until the default has been corrected:

- (1) a \$100 processing fee may be assessed for quarterly reports 30 days or more past due;
- (2) a \$100 processing fee may be assessed if the licensee fails to submit all required supporting documentation or amended quarterly reports per Subsection C of 15.4.10.8 NMAC within 15 days of notification by the board;
- (3) any \$100 processing fees shall be paid within 15 days of receipt of notification along with submission of the quarterly reports and all items requested by the board; to include amended quarterly reports and required supporting documentation;
- (4) failure to submit the quarterly reports or required items requested by the board; to include amended quarterly reports, required supporting documentation and the processing fee(s) within 15 days of receipt of notification, may result in an administrative citation being issued; and
- (5) the licensee may submit an appeal for the assessment of the processing fee(s) to the board within 15 days of receipt of notification. The appeal shall include a written rebuttal to the assessment. Appealing any processing fee does not relieve the licensee from the obligation to pay the fee or allow the licensee additional time to submit the quarterly reports or any required supporting documentation requested by the board.

[15.4.10.10 NMAC - Rp, 15.4.10.10 NMAC 2/23/2021]

15.4.10.11 REPORTING AND PAYMENT PROCEDURES:

A. Each licensee shall prepare an approved record covering each game of chance. This approved record shall disclose the following information:

- (1) gross receipts collected from the sale of all bingo cards, pull-tabs or raffle tickets;
- (2) the retail value of all promotional games;
- (3) cash on hand at the commencement and at the conclusion of each occasion;
- (4) signature of the bingo manager who oversees the occasion on all paperwork; and
- (5) name, signature, and assigned duties of each employee for each occasion.

B. A bingo and raffle tax as established by statute, of any game of chance held, operated or conducted for or by a qualified organization shall be imposed on the qualified organization.

C. The tax imposed pursuant to this section shall be submitted quarterly to the New Mexico taxation and revenue department on or before April 25, July 25, October 25 and January 25.

D. Fees required under the act and all reports relating to taxes and fees shall be received by the board no later than the date specified.

[15.4.10.11 NMAC - Rp, 15.4.10.11 NMAC 2/23/2021]

15.4.10.12 RETENTION OF RECORDS: The licensee shall maintain all records required pursuant to 15.4.1.12 NMAC.

[15.4.10.12 NMAC - Rp, 15.4.10.12 NMAC 2/23/2021]

HISTORY OF 15.4.10 NMAC: [RESERVED]

History of Repealed Material:

15.4.10 NMAC, Bingo and Raffles - Accounting Requirements, filed 3/27/2013 - Repealed 2/23/2021,

Other History:

15.4.10 NMAC, Bingo and Raffles - Accounting Requirements, filed 3/27/2013 replaced by 15.4.10 NMAC, Bingo and Raffles - Accounting Requirements, effective 2/23/2021.