

# LAWFUL PURPOSE EXPENDITURES

This chapter covers the expenditures that an organization makes from its gambling account for donations and certain taxes. Some LPE are also called "charitable contributions".



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## REFERENCES

Minnesota Statutes 349.12  
 Minnesota Statutes 349.15  
 Minnesota Statutes 349.154  
 Minnesota Statutes 349.19  
 Minnesota Statutes 349.2127  
 Minnesota Statutes 349.213

DEFINITIONS  
 USE OF GROSS PROFITS  
 EXPENDITURE OF NET PROFITS FROM LAWFUL GAMBLING  
 RECORDS AND REPORTS  
 PROHIBITIONS  
 LOCAL AUTHORITY

Minnesota Rules 7861.0320 Organization Operations, Accounts, Reports, and Records

## Expenditures Allowed

This one-page chart lists the lawful purpose expenditures that are allowed, and the codes to use when reporting these expenditures. Refer to the code A information for restrictions not noted in this chart.

**A1**  
to and by 501(c)(3) organizations or 501(c)(4) festival organizations

**A2**  
relieving the effects of poverty, homelessness, or disability

**A3**  
program for education, prevention, or treatment of problem gambling

**A4**  
funding a public or private nonprofit education institution registered with or accredited by Minnesota or any other state

**A5**  
scholarships

**A6**  
- recognition of military service (open to the public)  
- active military personnel in need

**A7**  
activities and facilities benefiting youth under age 21

**A8**  
payment of local, state, and federal taxes on receipts from lawful gambling, refund on unsold tickets

**A9**  
real estate taxes and assessments on gambling premises:  
- owned by a licensed organization (includes veterans organizations), or  
- wholly leased by a licensed 501(c)(19) veterans organization.

**A10**  
- contributions to the United States, state of Minnesota, or any of its subdivisions or agencies or instrumentalities (except a direct contribution to a law enforcement or prosecutorial agency)  
- a fund administered and regulated by a city or county (for lawful purposes)

**A11**  
to and by a nonprofit organization which is a church or a body of communicants

**A12**  
water quality testing for public waters, provided that the MPCA has approved the project

**A13**  
- wildlife management project that benefits the public-at-large, provided that the DNR has approved the project  
- costs related to grooming and maintaining snowmobile or all-terrain vehicle trails that are grant-in-aid trails, or other trails open to public use, provided that DNR has approved the project.  
- supplies and materials for safety training and education programs coordinated by the DNR

**A14**  
conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled

**A15**  
to community arts organizations or expenditures to fund arts programs in the community

**A16**  
utility costs (fuel for heating, water, electricity, and sewer costs) for building wholly owned or wholly leased by licensed veteran or fraternal organizations and used as their primary headquarters (if portion leased out, percentage for primary headquarters allowed with GCB Director approval)

**A17**  
meals and other membership events of licensed veterans organizations, limited to members and spouses only, held in recognition of military service (limit \$5,000 per year for all organizations at post home)

**A18**  
fees paid to the state for organization license, premises permits, and gambling manager license

**A19**  
recognizing humanitarian service demonstrated through volunteerism or philanthropy

**A20**  
contribution to another licensed organization, with Board approval

**A21**  
contribution to a parent organization that has received prior Board approval

### REAL PROPERTY AND CAPITAL ASSETS

**A22**  
repair, maintenance, or improvement of owned real property and capital assets, or replacement of owned capital asset that is no longer repairable, subject to annual limit

**A23**  
acquisition or improvement of capital assets (excluding real property) used exclusively for lawful purpose, with a cost greater than \$2,000, with Board approval

**A24**  
acquisition, erection, improvement, or expansion of real property used exclusively for lawful purpose, with Board approval

**A25**  
erection or acquisition of comparable building to replace building destroyed or made uninhabitable due to fire or catastrophe, or taken or sold under eminent domain proceeding, with Board approval

**CHARITABLE CONTRIBUTIONS** are defined as lawful purpose codes A1 to A7, A10 to A15, and A19.



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## Schedule C Instructions

### What is the Schedule C?

The Schedule C is used to report lawful purpose expenditures for the organization as a whole. A separate Schedule C is not required for each site.

### Completing the general information section

- Check the box if this is an amended Schedule C.
- Print the organization's name, federal ID number (FEIN), Minnesota tax ID, and license number.
- Enter the month and year reported.
- Enter the page number on each page.

### Completing the Schedule C

#### Membership approval date

Enter the date the organization's membership approved each expenditure.

All expenditures require membership approval before the check is written or the electronic transaction is made from the gambling bank account.

#### Check or electronic payment

- Enter the date the check was issued, or the date of the electronic transaction.
- Enter the check number or "ET" for an electronic transaction.

#### Payee

Enter the person's name, organization, or vendor to whom the payment was made.

- For checks, this must match the payee as written on the check.
- For electronic transactions, the information must match the payee information as shown on the gambling bank statement.

#### Description (purpose)

Enter a brief description of the expenditure, such as honor guard uniforms, jerseys for youth football team, medical bills for accident victim, city 10% fund, etc.

#### Board approval date

If the expenditure was approved by the Gambling Control Board, enter the date approved.

#### Code

- Enter an A code that describes each expenditure. Refer to the list of A codes.
- For any expenditure approved by the Gambling Control Board, enter the A or B code contained in the Board approval letter.

#### Amount

Enter the check or electronic transaction amount.

#### Totals

Add the amounts from all pages of the Schedule C. Report the total on the G1 Lawful Gambling Monthly Tax Return.

## LG1010: Instructions (continued)

### File by the 20th of the next month

When lawful purpose expenditures are made, the organization must:

- complete a Schedule C report for that month, and
- file the report with Revenue by the 20th day of the next month. If the 20th falls on a weekend or holiday, the due date is the next business day.

If no lawful purpose expenditures are made, a report is not required for that month.

### Where to mail the report

Attach the Schedule C to your Form G1 and mail to the Minnesota Department of Revenue. DO NOT mail this schedule to the Gambling Control Board.

### Keep your supporting documentation

The organization is required to keep all supporting documentation for the expenditures, including:

- receipts, invoices, and copies of the regular meeting minutes in which the expenditures were approved by the organization's membership; and
- a copy of any Gambling Control Board letters and forms used to document approval of expenditures.

All records must be kept for at least 3-1/2 years. Keep this information in the organization's files and provide it to the Gambling Control Board if requested.

### Filing an amended Schedule C

If the information on the Schedule C changes after it has been submitted to Revenue, file an amended Schedule C with Revenue.

If the totals on the Schedule C change, you must file an amended tax return with Revenue.

Be sure to check the appropriate box at the top of the Schedule C when filing an amended Schedule C.

### If expenditures denied--reimbursement required

The organization is responsible for providing proof that the expenditure qualified as a lawful purpose. If any expenditure is determined not to be a lawful purpose, the organization will be required to reimburse its gambling account with funds from a nongambling source.

### License termination

Once the Gambling Control Board approves the license termination plan, an organization must continue to file Schedule C with Revenue until all gambling funds have been spent.

For additional information on license termination, refer to the *Organization License* chapter.

## February Tax Refund and/or Credit (TRC)

### Applying for a tax refund and/or credit

- If pull-tab and tipboard games are conducted, an organization is eligible each year to receive a tax refund and/or credit (TRC) for the tax paid on unsold pull-tab and tipboard tickets.
- Refer to the *Minnesota Lawful Gambling Tax Forms and Instructions* booklet, available from the Department of Revenue, for instructions on calculating a tax refund and/or credit using form G7430.
- The TRC amount is entered as a negative amount on the Schedule C and coded as A8.
- Until the tax refund is received, the tax refund portion is reported on Schedule F, line 10.

### Deposit tax refund check; Spend within one year

When the refund check is received from the Department of Revenue, deposit the check into the gambling checking account within 4 business days.






The total TRC amount must be spent within one year for lawful purpose expenditures. TRC amounts may not be used for lawful purpose codes A8 or A9, or for allowable expenses.

## Lawful Purpose Rating

### Percentage of funds used for lawful purpose expenditures

For each 12 month period (July to June) a licensed organization will be evaluated by the Gambling Control Board to determine a rating based on the percentage of annual gross profits spent on lawful purpose expenditures.

Organizations will be evaluated according to the following criteria.

<b>% Spent on Lawful Purpose Rating</b>	
more than 50% ..5 star	
more than 40% ..4 star	
more than 30% ..3 star	
more than 20% ..2 star	 One year automatic probation
Less than 20% ...1 star	 One year automatic probation

For further information, refer to the "Lawful Purpose Rating" section in Chapter 9, *Internal Operations and Oversight*.

## A Codes

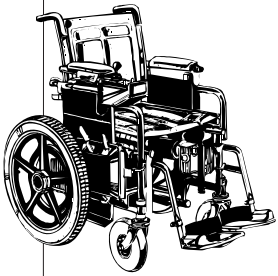


**Contribution to another licensed organization . . .** See code A20.

**State-level parent organization . . . . .** See code A21.



**Electronic transactions are allowed for all lawful purpose expenditures.**

**Keep documentation, such as receipts and invoices, to support each expenditure.**



Code	Expenditures By	Expenditures To (Examples)
<b>A1</b>	<p>Licensed 501(c)(3) organization or licensed 501(c)(4) festival organization, for its primary purpose.</p> <div style="border: 1px dashed black; padding: 5px;"> <p><b>Repair or maintenance</b> of capital assets and real property used exclusively for code A1 does not require Gambling Control Board approval.</p> <p><b>Capital assets</b> - For the acquisition or improvement of capital assets with a cost greater than \$2000 per item or project, refer to code A23.</p> <p><b>Real property</b> - For real property, refer to code A24.</p> </div>	<ul style="list-style-type: none"> <li>• 501(c)(3) or 501(c)(4) general fund or transfer to separate account within the general fund, for its primary purpose.</li> </ul> <p><b>Each year</b>, the organization must:</p> <ol style="list-style-type: none"> <li>1. meet standards for general fund expenditures,</li> <li>2. have submitted form LG200C to the Board, and</li> <li>3. received written prior Board approval to transfer funds to its general fund.</li> </ol> <ul style="list-style-type: none"> <li>• Vendor, for goods and services for lawful purpose (primary purpose)</li> </ul>
<b>A1</b>	<p>All licensed gambling organizations.</p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Contributions may not be made if the recipient organization:</b></p> <ol style="list-style-type: none"> <li>1. exists primarily for the purpose of receiving and distributing gambling profits;</li> <li>2. has more than 49% of its membership in common with the contributing organization, and</li> <li>3. has an officer, director, or other person in a managerial position who is also an officer, director, or management person in the contributing organization.</li> </ol> </div>	<ul style="list-style-type: none"> <li>• Unlicensed 501(c)(3) organization</li> <li>• Unlicensed 501(c)(4) festival organization                             <ul style="list-style-type: none"> <li>- The contributing organization must have an IRS determination letter for the recipient organization to support a donation made to that organization.</li> <li>- If payment is by check, make the check payable to the organization as named on the IRS determination letter.</li> </ul> </li> <li>• Licensed 501(c)(3) organization. Refer to code A20.</li> <li>• Llicensed 501(c)(4) festival organization. Refer to code A20.</li> </ul>


<b>A Codes</b> (continued)		
Code	Expenditures By	Expenditures To (Examples)
<b>A2</b>	<p>All licensed gambling organizations, to relieve the effects of poverty, homelessness, or disability, provided the entire amount of the contribution is used to relieve one or more of these effects.</p> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p><b>Repair or maintenance</b> of capital assets and real property used exclusively for code A2 does not require Gambling Control Board approval.</p> <p><b>Capital assets</b> - For the acquisition or improvement of capital assets with a cost greater than \$2000 per item or project, refer to code A23.</p> <p><b>Real property</b> - For real property, refer to code A24.</p> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>	<ul style="list-style-type: none"> <li>• Individual or family</li> <li>• Nonprofit corporation that exists exclusively for these relief purposes</li> <li>• Vendor, for goods or services for the family or individual for these purposes</li> <li>• Unit of government. Refer to code A10.</li> </ul> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;"><b>Relieving the effects of a disaster</b></p> <p>An organization may spend net profits to relieve the effects of a disaster as defined in Minnesota Statutes 12.03, Subd. 2 without prior membership approval if the contribution is:</p> <ul style="list-style-type: none"> <li>• a lawful purpose as defined under Minnesota Statutes 349.12, Subd. 25 (Example: A2, a contribution to an individual to relieve the effects of homelessness or poverty caused by a disaster);</li> <li>• authorized by the organization's chief executive officer and gambling manager; and</li> <li>• approved by the membership at the next monthly meeting. If the contribution is not approved by the membership at its next monthly meeting, the organization must reimburse its gambling account in the amount of the contribution.</li> </ul> <p>Minnesota Statutes 12.03, Subd. 2 "Disaster" means a situation that creates an actual or imminent serious threat to health and safety of persons, or a situation that has resulted or is likely to result in catastrophic loss to property or the environment; and for which traditional sources of relief and assistance within the affected area are unable to repair or prevent the injury or loss."</p> </div>
<b>A3</b>	<p>All licensed gambling organizations, for education, prevention, or treatment of problem gambling.</p>	<ul style="list-style-type: none"> <li>• Problem gambling program recognized by the Minnesota Department of Human Services</li> <li>• Unit of government. Refer to code A10.</li> </ul>
<b>A4</b>	<p>All licensed gambling organizations, for funding a public or private nonprofit educational institution registered with or accredited by the state of Minnesota or any other state.</p> <div style="text-align: center; margin-top: 10px;">  </div>	<ul style="list-style-type: none"> <li>• Private, accredited, nonprofit educational institution</li> <li>• Public school. An LG555 must be completed and kept in the organization records.</li> <li>• Vendor, for goods or services benefiting a private nonprofit or public educational institution</li> <li>• Licensed gambling organization that is a nonprofit educational institution. Refer to code A20.</li> </ul>



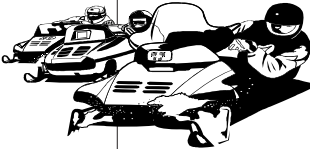
## A Codes (continued)

Code	Expenditures By	Expenditures To (Examples)
<p><b>A5</b></p> 	<p>All licensed gambling organizations, for scholarships to defray the cost of education to individuals.</p>	<ul style="list-style-type: none"> <li>• Nonprofit organization whose mission is to award scholarships</li> <li>• Organization’s own scholarships where the scholarship process must:                             <ul style="list-style-type: none"> <li>- be awarded through through an open and fair selection process that does not discriminate based on race, gender, religion, national origin, marital status, disability, or age;</li> <li>- not be limited to organization members or their immediate families;</li> <li>- have criteria for selection that is communicated to all participants and organization members; and</li> <li>- ensure that scholarship winners are made public and communicated to organization members.</li> </ul> </li> <li>• Individual scholarship award</li> <li>• Student and school</li> <li>• Public school for general scholarships. Refer to code A4.</li> </ul>
<p><b>A6</b></p>  <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p><b>Repair or maintenance</b> of capital assets and real property used exclusively for code A6 does not require Gambling Control Board approval.</p> <p><b>Capital assets</b> - For the acquisition or improvement of capital assets with a cost greater than \$2000 per item or project, refer to code A23.</p> <p><b>Real property</b> - For real property, refer to code A24.</p> </div>	<p>All licensed gambling organizations, for recognition of military service.</p>	<ul style="list-style-type: none"> <li>• Individual. A member of the contributing organization is limited to \$10, with a total limit of \$100 in a 12 month period, except for color guard or honor guards.</li> <li>• Individual, for participating in color guard, honor guard, or marching unit events in Minnesota or states bordering Minnesota                             <ul style="list-style-type: none"> <li>- \$35 per day limit, with no limit in a 12 month period</li> </ul> </li> <li>• Individual, for mileage reimbursement for providing color guard, honor guard or marching unit transportation in Minnesota or states bordering Minnesota</li> <li>• Vendor, for purchase of goods used in activities recognizing military service, such as flags, color guard uniforms, parade rifles, bugles, etc.</li> <li>• Active military personnel and their immediate family members in need of support services [Immediate family member means persons living in the same residence as the active military personnel]</li> <li>• Vendor, for purchase of goods, services, or for activities open to the public in recognition of military service, such as Memorial Day or Veterans Day services, provided that the expenditure does not result in any organization member receiving any money, or goods or services with a market value greater than \$10, with a total limit of \$100 in a 12 month period. This limit does not apply to active military personnel and their immediate family members in need of support services</li> <li>• Unit of government. Refer to code A10.</li> </ul>



## A Codes (continued)

Code	Expenditures By	Expenditures To (Examples)
<b>A7</b>	<p>All licensed gambling organizations, for activities benefiting youth under age 21.</p> <p><b>Gender equity</b> - A licensed gambling organization that makes a greater percentage of its lawful purpose expenditures on facilities or activities for one gender may not deny a reasonable request for funding for the underrepresented gender if the request meets lawful purpose.</p> <div style="text-align: center;">  </div>	<ul style="list-style-type: none"> <li>• Youth participating in community, recreational, or athletic activities</li> <li>• Vendor, for purchase of goods or services benefiting youth (for example, equipment purchases, bats, balls, gloves, hockey sticks, skates, uniforms, equipment repairs, etc.)</li> <li>• Vendor, for fees and other costs of youth activities (for example, tournament fees, umpire fees, coach wages, ice time, field rental, etc.)</li> <li>• Community, recreational, or athletic organization</li> <li>• Unit of government. Refer to code A10.</li> <li>• Minnesota state-level parent organization for programs approved by the Gambling Control Board. Refer to code A21.</li> <li>• Licensed lawful gambling organization. Refer to code A20.</li> </ul> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p><b>Repair or maintenance</b> of capital assets and real property used exclusively for code A7 does not require Gambling Control Board approval.</p> <p><b>Capital assets</b> - For the acquisition or improvement of capital assets with a cost greater than \$2000 per item or project, refer to code A23.</p> <p><b>Real property</b> - For real property, refer to code A24.</p> </div>
<b>A8</b>	<p>All licensed gambling organizations, for payment of local, state, and federal taxes on receipts from lawful gambling; gambling tax refund, if any.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> <p><b>Any TRC amount may not be expended for this purpose.</b></p> </div> <div style="text-align: center; margin-top: 10px;">  </div>	<ul style="list-style-type: none"> <li>• Department of Revenue (M-4NP)</li> <li>• IRS, for 990T, 730 if applicable, and 11-C for the organization only. 11-C taxes for individuals are an allowable expense.</li> <li>• Local unit of government, for local gambling tax up to three percent.</li> <li>• Report "gambling tax refund or credit" if any, as a negative amount on the Schedule C [amount from Form G7430. DO NOT include the amount from Schedule ER].</li> </ul> <p style="margin-top: 10px;">The LG555 is not required for these expenditures.</p> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p><b>Do not report the following on Schedule C:</b></p> <ul style="list-style-type: none"> <li>• Tax credit from Schedule ER</li> <li>• Penalties and interest paid on taxes.</li> <li>• Local government investigation fee.</li> <li>• 1.7% tax paid to the distributor for gambling product.</li> <li>• Combined receipts tax.</li> <li>• 8.5% tax on bingo and raffle net receipts.</li> <li>• .1% monthly regulatory fee</li> </ul> </div>

<b>A Codes</b> (continued)		
Code	Expenditures By	Expenditures To (Examples)
<b>A9</b>	<p>All licensed gambling organizations for payment of real estate taxes and assessments on a permitted gambling premises owned by the organization.</p> <p>All licensed veterans organizations, recognized as 501(c)(19) of the Internal Revenue Code, for payment of real estate taxes and assessments on a permitted gambling premises owned or wholly leased by the organization.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: fit-content;"> <p><b>Any TRC amount may not be expended for this purpose.</b></p> </div>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul> <div style="border: 1px dashed black; padding: 10px; margin: 10px auto; width: fit-content;"> <p><b>Restrictions</b></p> <p>Property taxes may be paid only on the building that is the permitted premises and the parcel of land on which the building stands.</p> <p>Taxes <u>may not</u> be paid for separate parcels of land or buildings for which the organization has no premises permit.</p> </div> <p><b>NOTE:</b> Your organization may qualify for a property tax special classification of 4c(3)(ii) if your organization meets certain requirements. Contact your county assessor for information.</p>
<b>A10</b>	 <p>All licensed gambling organizations, for contributions to the United States, the state of Minnesota or any of its subdivisions or agencies or instrumentalities.</p> <div style="border: 1px dashed black; padding: 10px; margin: 10px auto; width: fit-content;"> <p>A direct contribution to a law enforcement or prosecutorial agency is not allowed.</p> </div>	<p>All of these expenditures must be supported by a completed LG555. Keep the LG555 in the organization records.</p> <ul style="list-style-type: none"> <li>• Minnesota city or city unit</li> <li>• Minnesota county or county unit</li> <li>• Minnesota township or township unit</li> <li>• State of Minnesota or governmental unit</li> <li>• United States government or governmental unit</li> <li>• School district. Refer to code A-4.</li> </ul>
<b>A10</b>	<p>All licensed gambling organizations, for a contribution to a 10% (maximum) fund administered and regulated by a city or a county.</p>	<p>Fund administered by:</p> <ul style="list-style-type: none"> <li>• City or city unit</li> <li>• County or county unit</li> <li>• Entity designated by city or county for receipt of the funds</li> </ul> <p>Cities or counties (not townships) are authorized to establish this fund by local ordinance under Minnesota Statutes 349.213. The city or county must disburse the fund receipts for lawful purposes and report annually to the Gambling Control Board on the collection and disbursements of the fund.</p> <p>The LG555 is not required for these expenditures.</p> <p>Refer to the <i>Directory and General Information</i> chapter, Local Unit of Government section, for additional information.</p>

<b>A Codes</b> (continued)		
Code	Expenditures By	Expenditures To (Examples)
<b>A11</b> 	All licensed gambling organizations, for contributions to or expenditures by a nonprofit organization that is a church or a body of communicants.	<ul style="list-style-type: none"> <li>• Church</li> <li>• Body of communicants</li> <li>• Church, licensed to conduct gambling, to its own general fund</li> <li>• Church licensed to conduct lawful gambling. Refer to code A20</li> </ul>
<b>A12</b>	All licensed gambling organizations, for expenditures for citizen monitoring of surface water quality testing for public waters by individuals or nongovernmental organizations, with Minnesota Pollution Control Agency (MPCA) guidance on monitoring procedures, quality assurance protocols, and data management, providing that data is submitted to the MPCA	All of these expenditures must be supported by a completed LG555. Keep the LG555 in the organization records. <ul style="list-style-type: none"> <li>• Individual</li> <li>• Vendor, for goods or services</li> <li>• Unlicensed nongovernmental organization</li> </ul> For capital assets that will be owned by the organization, refer to code A23.
<b>A13</b>   	All licensed gambling organizations, for a project or activity approved by the DNR for: <ul style="list-style-type: none"> <li>• wildlife management projects that benefit public at large</li> <li>• grant-in-aid trail maintenance and grooming for snowmobile and all-terrain vehicle trails established under Minn. Stat. 84.83 and 84.927, including purchase or lease of equipment</li> <li>• supplies and materials for safety training and education programs coordinated by the DNR, including the Enforcement Division.</li> </ul>	All of these expenditures must be supported by a completed form LG555. Keep the LG555 in the organization records. <ul style="list-style-type: none"> <li>• Individual</li> <li>• Organization</li> <li>• Unit of government. Refer to code A10.</li> <li>• Vendor, for goods or services</li> <li>• Licensed gambling organizations. Refer to code A20.</li> </ul> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p><b>Repair or maintenance</b> of capital assets and real property used exclusively for code A13 does not require Gambling Control Board approval.</p> <p><b>Capital assets</b> - For the acquisition or improvement of capital assets with a cost greater than \$2000 per item or project, refer to code A23.</p> <p><b>Real property</b> - For real property, refer to code A24.</p> </div>
<b>A14</b>	All licensed gambling organizations, for contributions to nutrition programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled.	<ul style="list-style-type: none"> <li>• Unlicensed organization</li> <li>• Unit of government. Refer to code A10.</li> <li>• Vendor, for goods or services</li> </ul> <p style="margin-left: 20px;">Congregate dining is a qualified nutritional meal that meets the guidelines from the Health Department.</p> <p style="margin-left: 20px;">NOTE: Paying for meals for senior citizens is not a lawful purpose expenditure unless the meals are part of a congregate dining program or the senior citizens qualify under code A2.</p>

## A Codes (continued)

Code	Expenditures By	Expenditures To (Examples)
<b>A15</b>	<p>All licensed gambling organizations, for contributions to community arts organizations, or expenditures to fund arts programs in the community.</p> 	<ul style="list-style-type: none"> <li>• Individual or group</li> <li>• Unit of government. Refer to code A10.</li> <li>• Public school. Refer to code A4.</li> <li>• Private educational institution. Refer to code A4.</li> <li>• Vendor, for goods or services</li> <li>• Licensed gambling organizations. Refer to code A20.</li> </ul>
<b>A16</b>	 <p>All licensed veterans and fraternal organizations for a building wholly owned or wholly leased and used as its primary headquarters--for payment of fuel for heating, sewer costs, water, and electricity.</p>	<ul style="list-style-type: none"> <li>• Vendor, for services</li> </ul> <p><b>NOTE:</b> If a portion of the building is leased out, need GCB Director approval to pay for percentage of utilities used for primary headquarters.</p>
<b>A17</b>	<p>All licensed veterans organizations for meals and other membership events, limited to members and spouses only, held in recognition of military service</p>	<ul style="list-style-type: none"> <li>• Vendor, for goods or services Limit \$5,000 per calendar year in total for all licensed veterans organizations sharing the same veterans post home</li> </ul> <p>For events open to the public, refer to code A6.</p>
<b>A18</b>	<p>All licensed gambling organizations, for its <b>annual</b> state organization license, premises permit, and gambling manager license fees</p>	<ul style="list-style-type: none"> <li>• State of Minnesota (Gambling Control Board)</li> </ul> <p><b>NOTE:</b> The monthly regulatory fee is reported on the G1 and paid to the commissioner of revenue. Do not report it on the Schedule C.</p>
<b>A19</b>	<p>All licensed gambling organizations for contributions or expenditures to honor an individual's humanitarian service demonstrated through philanthropy or volunteerism to the United States, the state of Minnesota, or local community.</p> <p>NOTE: This category includes expenditures made for transportation, food, and beverages given to persons donating blood.</p>	<ul style="list-style-type: none"> <li>• Individual</li> <li>• Vendor, for goods or services used in activities recognizing humanitarian service, provided that the expenditure is limited to the person(s) being honored. Example: Feeding volunteers who worked filling sandbags during a potential flood.</li> <li>• Vendor, for purchase of goods given to person(s) being honored</li> </ul>
<b>A20</b>	<p>All licensed gambling organizations, for contributions to another licensed organization, with prior Gambling Control Board approval</p>	<ul style="list-style-type: none"> <li>• Licensed organization - Use the LG270 request form. The contribution must be used by the recipient organization for one or more of the following lawful purposes: Codes A1 to A7, A11 to A15, A19, or A25 (fire or other catastrophe).</li> </ul>

<b>A Codes</b> (continued)		
Code	Expenditures By	Expenditures To (Examples)
<b>A21</b>	<p>All licensed gambling organizations with a parent organization, for a contribution to their parent organization.</p> <p>EXAMPLE:</p> <ul style="list-style-type: none"> <li>• VFW Posts may contribute to VFW state-level programs approved by the Gambling Control Board.</li> <li>• However, the VFW Auxiliary, American Legion, or other licensed organizations may not contribute to the state-level VFW and its approved programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Parent organization, state-level</li> </ul> <p>The contribution is allowed if:</p> <ol style="list-style-type: none"> <li>1. the parent organization has not provided to the contributing organization, within one year of the contribution, any money, grants, property, or other thing of value, and</li> <li>2. the parent organization has received prior Gambling Control Board approval for the contribution that will be used for a program that meets one or more of the following lawful purposes: A1 to A7, A11 to A15, A19, or A25.</li> </ol>
<b>A22</b>	<p>All licensed gambling organizations, for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of capital assets, owned by the organization, that can no longer be repaired.</p> <p>The real property or capital assets must be made available to other nonprofits free of charge or used for the organization's primary headquarters or primary mission.</p> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p><b>NOT ALLOWED:</b></p> <ul style="list-style-type: none"> <li>- building expansions,</li> <li>- commercial portion of building,</li> <li>- gambling-related, such as GM office, booths, storage,</li> <li>- organization office equipment, or</li> <li>- bar-related expenditures, such as remodeling, equipment, smoking room, patio/deck for bar/restaurant.</li> </ul> </div>	<ul style="list-style-type: none"> <li>• Vendor, for goods or services</li> </ul> <p><b>Annual limit</b> There is a fiscal year limit of 5% of gross profits from the previous fiscal year (July to June). Use the (optional) LG267 Worksheet to track expenditures.</p> <ul style="list-style-type: none"> <li>- Prior Gambling Control Board approval is required for expenditures that exceed the limit due to extenuating circumstances.</li> <li>- Use the LG269 request form.</li> </ul> <p><b>Replacement building</b></p> <ul style="list-style-type: none"> <li>- Prior Gambling Control Board approval is required to apply amounts within the annual limit towards the construction or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act (ADA).</li> <li>- Use LG268 request form.</li> </ul>
<b>A23</b>	<p>All licensed gambling organizations, for the acquisition or improvement of <b>capital assets</b> (excluding real property) used exclusively for lawful purpose.</p>	<ul style="list-style-type: none"> <li>• Vendor, for goods or services, with a cost over \$2,000.</li> <li>- Prior Gambling Control Board approval required.</li> <li>- Use LG266 request form.</li> </ul>
<b>A24</b>	<p>All licensed gambling organizations, for the acquisition, erection, improvement, or expansion of <b>real property</b> used exclusively for lawful purpose, with Board approval.</p>	<ul style="list-style-type: none"> <li>• Vendor, for goods or services</li> <li>- Prior Gambling Control Board approval required.</li> <li>- Use the LG266 request form.</li> </ul>
<b>A25</b>	<p>All licensed gambling organizations, for the erection or acquisition of comparable building to replace a building destroyed or made uninhabitable due to <b>fire or other catastrophe</b>, or taken or sold under an <b>eminent domain</b> proceeding</p>	<ul style="list-style-type: none"> <li>• Vendor, for goods or services</li> </ul> <p>Prior Gambling Control Board approval required.</p> <ul style="list-style-type: none"> <li>- For fire/catastrophe, use LG262 request form.</li> <li>- For eminent domain, use LG263 request form.</li> </ul>

<b>Guidelines at a Glance</b>				
<b>for Real Property and Capital Assets Used Exclusively for Lawful Purpose</b>				
<b>Examples</b>	<b>Capital Assets</b>		<b>Real Property</b>	The repair or maintenance of capital assets and real property <u>used exclusively for lawful purpose</u> does not require Gambling Control Board approval.
	<b>Acquire or improve</b>		Acquire, erect, expand, improve	
	less than \$2000 per item or project	more than \$2000 per item or project		
<b>Disability</b> - Wheelchairs, medical equipment	<b>A2</b>	Use LG266 (A23)		<b>A2</b>
<b>Disability</b> – Storage shed for wheelchairs, medical equipment			Use LG266 (A24)	<b>A2</b>
<b>Military</b> – flag poles, memorials	<b>A6</b>	Use LG266 (A23)	Use LG266 (A24)	<b>A6</b>
<b>Military</b> – honor guard equipment, rifles, gun safe	<b>A6</b>	Use LG266 (A23)		<b>A6</b>
<b>501(c)(3)</b> – If paid to vendor directly from gambling account	<b>A1</b>	Use LG266 (A23)	Use LG266 (A24)	<b>A1</b>
<b>Trails</b> – building & land for storage			Use LG266 (A24)	<b>A13</b>
<b>Trails</b> – groomers, truck, trailer, tools, plows, other equipment	<b>A13</b>	Use LG266 (A23)		<b>A13</b>
<b>Youth</b> - playing fields, arenas, related building – dugouts, fencing, lights			Use LG266 (A24)	<b>A7</b>
<b>Youth</b> - sports equipment, lawn mower, ice surfer, etc.	<b>A7</b>	Use LG266 (A23)		<b>A7</b>
<b>Other</b> Concession stands and other general fund-raising items are general fund expenses, not lawful purpose.				

## Expenditures Not Allowed

**Lawful purpose expenditures that are not allowed include the following.**

### **Benefits to organization making expenditure prohibited**

- An organization may not retain any control over any expenditure, contribution, or other disposition of gambling gross profits.  
**EXCEPTION:** The only exception is for expenditures made by a licensed 501(c)(3) or 501(c)(4) festival organization to its own general fund, with prior Board approval each year, using form LG200C. [See *Minnesota Rules 7861.0320, Subp. 14; and Minnesota Statute 349.154, Subd. 1*]
- Any contribution or expenditure that results in any monetary, economic, financial, or material benefit to the organization making the contribution or expenditure.

### **Circumventing lawful purpose**

Any contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

### **Conflict of interest**

Any contribution or expenditure that is not allowed under the conflict of interest provisions of the Minnesota Nonprofit Corporation Act, Minnesota Statutes 317A.255.

### **Fund-raising; exception**

A contribution or expenditure may not be made for the purposes of fund-raising, except for an expenditure by a 501(c)(3) organization or 501(c)(4) festival organization from its general fund.

### **Direct law enforcement contribution**

A contribution may not be made directly to a law enforcement agency, such as police or sheriff, or to a prosecutorial agency.

### **Liquor**

The purchase of any intoxicating liquor, wine, or malt beverages is not allowed.

### **Pension or retirement fund (government)**

A contribution may not be made to a city, county, or town with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

### **Political purposes**

- An expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office.
- A contribution for promoting or defeating a ballot question.
- A contribution for any activity intended to influence an election or a governmental decision-making process.

### **Tax interest, penalties**

Interest on taxes, tax penalties, or interest on tax penalties are allowable expenses, not lawful purpose expenditures.

## Advertising

### Youth activity - graduation night party

**Parents of our high school seniors have formed a committee to put on a graduation night party for the students. May gambling funds be used to fund and advertise this party?**

Yes. Under lawful purpose code A7, an expenditure may be made for activities intended primarily for persons under age 21. The portion of the advertisement related to the lawful purpose activities must be:

- paid directly to the vendor with gambling funds, and
- reported as a lawful purpose expenditure on the Schedule C, coded as A7.



### Youth activity - advertising

**May our organization advertise lawful purpose activities such as "kids Easter egg hunt"?**

Yes. An organization may advertise activities for promoting youth activities such as:

- Easter egg hunts,
- youth holiday parties,
- gun safety classes,
- recreational activities,
- other youth activities.

These would be coded as A7 on the Schedule C.



### Honoring military service - advertising

**May our organization advertise lawful purpose activities that are open to the public to honor military service?**

Yes. An organization may advertise activities honoring military service by placing an ad in a newspaper or a radio or TV spot. These would be coded as A6 on the Schedule C.



### Advertising for lawful purpose; documentation required

The portion of the advertisement that is related to the lawful purpose activities must be:

- paid directly to the vendor with gambling funds, and
- reported as a lawful purpose expenditure on the Schedule C.

The organization is responsible for documenting the portion of the advertisement that is related to the lawful purpose activity.

## Fees and Taxes: Where are They Reported?

### LICENSE, PERMIT AND REGULATORY FEES

Type of fee	Paid to	Where reported
Organization license, premises permit, and gambling manager license applications	State of Minnesota - Gambling Control Board	Schedule C, code A18
Monthly regulatory fee Gambling Control Board	Department of Revenue	G1 Lawful Gambling Monthly Tax Return
Local government investigation fee (may not impose local gambling tax if investigation fee imposed)	City or county	Schedule A (allowable expense)
Charitable organization registration (annual fee)	Minnesota Office of Attorney General	Schedule A (allowable expense)

### TAXES ON LAWFUL GAMBLING

Type of tax	Paid to	Where reported
Gambling tax imposed by state of Minnesota (monthly)	Department of Revenue	G1 Lawful Gambling Monthly Tax Return
Combined receipts tax, if applicable, imposed by state of Minnesota (Worksheet E)	Department of Revenue	G1 Lawful Gambling Monthly Tax Return
1.7% Minnesota tax on pull-tab and tipboard tickets	Distributor	G1 Lawful Gambling Monthly Tax Return
G7430 Refund on 1.7% state gambling tax on unsold pull-tab or tipboard tickets (annual)	Department of Revenue	Schedule C Negative amount code A8
Local gambling tax, up to 3%, if applicable (may not impose investigation fee if local gambling tax imposed)	City or county	Schedule C, code A8
11-C Occupational Tax and Registration Return for Wagering (annual fee)	IRS	<ul style="list-style-type: none"> <li>• 11-C tax on individuals who accept wagers is reported as an allowable expense on Schedule A</li> <li>• 11-C tax on the organization is reported as lawful purpose on Schedule C, code A8</li> </ul>

## *Fees and Taxes: Where are They Reported?*

### TAXES ON LAWFUL GAMBLING (continued)

Type of tax	Paid to	Where reported
Taxes related to lawful gambling as an unrelated business expense: <ul style="list-style-type: none"> <li>• 990-T Exempt Organization Business Income Tax Return</li> <li>• 730 Monthly Tax Return for Wagers (excise tax)</li> <li>• M-4NP State Franchise Tax for Nonprofit Organizations</li> </ul>	IRS 990-T  IRS 730  M-4NP Minnesota Department of Revenue	Schedule C, code A8 for the portion of tax related to lawful gambling  Schedule C, code A8 for the portion of tax related to lawful gambling  Schedule C, code A8 for the portion of tax related to lawful gambling
Interest on taxes, tax penalties, & interest on tax penalties	Department of Revenue or IRS	Schedule A, for any expenses related to lawful gambling (allowable expense)
Payroll taxes (various state and federal forms for income taxes, federal unemployment tax, state unemployment compensation tax, worker's compensation insurance, FICA, etc.)	Various state and federal agencies	Schedule A (allowable expense)
Taxes withheld on prizes: <ul style="list-style-type: none"> <li>• IRS 945: generally over \$600 prize (over \$1200 for bingo), if winner does not provide a tax identification number</li> <li>• IRS 945 &amp; W-2G: Over \$5,000 prize for pull-tabs, paddlewheels, tipboards, and raffle. May depend on amount of wager and who is responsible for taxes.</li> </ul>	IRS Form 945, Annual Return of Withheld Federal Income Tax  IRS 945 & W-2G Certain Gambling Winnings, to winner and IRS	Contact the IRS at 1-800-829-1040.  Contact the IRS at 1-800-829-1040.

**NOTE:** This may not be a complete list. Additional taxes may be required or an organization may be required to make estimated tax payments throughout the year.

# LG262 Request to Replace Building - Destroyed or Made Uninhabitable by Fire or Other Catastrophic Event

Organization name	License number										
Street	City State/Zip code										
<b>Property Expenditure</b> (attach additional sheets if necessary)											
<p>1. Legal owner of the property: _____</p> <p>2. Proposed project cost: \$_____ (attach a copy of estimates, bids, and floor plans)</p> <p>3. If a loan will be obtained, what is the principal amount \$_____ Interest amount \$_____</p> <p>4. Describe the project in detail: _____ _____ _____ _____</p> <p>5. ATTACH proof of the fire or catastrophic event.</p> <p>6. ATTACH a copy of the valid policy of property insurance for the destroyed or uninhabitable building.</p> <p>7. Provide documentation of the following:</p> <table style="width:100%; border:none;"> <tr> <td style="width:70%;">a. The replacement cost of the destroyed or uninhabitable building.</td> <td style="width:30%;">a. \$ _____</td> </tr> <tr> <td>b. The total insured amount of the destroyed or uninhabitable building.</td> <td>b. \$ _____</td> </tr> <tr> <td>c. The amount reimbursed by the insurance carrier, and</td> <td>c. \$ _____</td> </tr> <tr> <td>d. the amount which was not reimbursed (line c from line b).</td> <td>d. \$ _____</td> </tr> <tr> <td>e. The estimated cost of the proposed replacement building, including dimensions, amenities, and additional code requirements.</td> <td>e. \$ _____</td> </tr> </table> <p>8. Give a detailed description of the destroyed or uninhabitable building. Include dimensions and uses for all areas. _____ _____ _____</p> <p>9. Explain how the replacement building will be used. _____ _____</p>		a. The replacement cost of the destroyed or uninhabitable building.	a. \$ _____	b. The total insured amount of the destroyed or uninhabitable building.	b. \$ _____	c. The amount reimbursed by the insurance carrier, and	c. \$ _____	d. the amount which was not reimbursed (line c from line b).	d. \$ _____	e. The estimated cost of the proposed replacement building, including dimensions, amenities, and additional code requirements.	e. \$ _____
a. The replacement cost of the destroyed or uninhabitable building.	a. \$ _____										
b. The total insured amount of the destroyed or uninhabitable building.	b. \$ _____										
c. The amount reimbursed by the insurance carrier, and	c. \$ _____										
d. the amount which was not reimbursed (line c from line b).	d. \$ _____										
e. The estimated cost of the proposed replacement building, including dimensions, amenities, and additional code requirements.	e. \$ _____										
Chief executive officer signature	Date	Gambling manager signature	Date								
Print name	Daytime phone	Print name	Daytime phone								

Mail to: **Gambling Control Board  
Suite 300 South  
1711 West County Road B  
Roseville, MN 55113**

**Questions?** Call the Gambling Control Board at 651-639-4000. This form will be made available in alternative format (i.e. large print, Braille) upon request.  
**Data privacy notice:** The information requested on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

# LG263 Request to Replace Building Taken or Sold Under Eminent Domain Proceeding

For erection or acquisition of a comparable building to replace an organization-owned building that was taken or sold under an eminent domain proceeding, provided that the expenditure may be only for that part of the replacement cost not compensated to the organization under the eminent domain proceeding.

Organization \_\_\_\_\_ License number \_\_\_\_\_  
 Street \_\_\_\_\_ City \_\_\_\_\_ State/Zip code \_\_\_\_\_

**Property Expenditure** (attach additional sheets if necessary)

1. Legal owner of the building that was taken or sold through eminent domain:  
 \_\_\_\_\_

2. Proposed replacement building cost: \$ \_\_\_\_\_ (attach a copy of estimates/bids)

3. If a loan will be obtained, what is the principal amount \$ \_\_\_\_\_ Interest amount \$ \_\_\_\_\_

4. Describe the process of how the building was taken or sold through eminent domain, including the purchaser of the building:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. ATTACH documentation of proof of the eminent domain proceeding.

6. ATTACH documentation showing the method of how compensation was calculated.

7. ATTACH a floor plan of the building taken or sold through eminent domain. Include dimensions and uses of all areas.

8. Describe the proposed replacement building. Include dimensions and how it will be used. Explain what any cost differences between the replacement building and the value of the original building are attributed to.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

9. ATTACH documentation of the following:

- a. The value of the original building that was taken or sold through eminent domain. a. \$ \_\_\_\_\_
- b. The cost of the new replacement building (do not include the cost of chairs, tables, bar, kitchen equipment, and other capital equipment). b. \$ \_\_\_\_\_
- c. Compensation received for the building taken or sold through eminent domain. c. \$ \_\_\_\_\_
- d. **Amount requested** (line b minus line c). d. \$ \_\_\_\_\_

Chief executive officer signature _____	Date _____	Gambling manager signature _____	Date _____
Print Name _____	Daytime phone _____	Print name _____	Daytime phone _____

Mail to: **Gambling Control Board**  
**Suite 300 South**  
**1711 West County Road B**  
**Roseville, MN 55113**

**Questions?** Call the Gambling Control Board at 651-639-4000. This form will be made available in alternative format (i.e. large print, Braille) upon request.  
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**Minnesota Lawful Gambling**  
**LG266 Request for Real Property or Capital Assets**  
**Used Exclusively for Lawful Purpose**

Organization name		License number	
Street		City	State/Zip code
<b>Real Property or Capital Asset Expenditure</b> (attach additional sheets if necessary)			
<p>1. The proposed expenditure is for:</p> <p>___ <b>real property</b> - acquisition, erection, improvement, or expansion of real property used exclusively for lawful purpose</p> <p>___ <b>capital asset</b> - acquisition or improvement of a capital asset with a cost greater than \$2,000 (excluding real property), that will be used exclusively for lawful purpose</p> <p>2. Legal owner of the real property or capital asset</p> <p>_____</p> <p>3. Proposed cost: \$ _____ (attach a copy of estimates/bids)</p> <p>4. If a loan will be obtained, what is the principal amount \$ _____ Interest amount \$ _____</p> <p>5. ___ Yes ___ No Has the expenditure(s) already been made?</p> <p>6. Describe the project in detail:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>7. Explain in detail how the expenditure will be used exclusively for lawful purpose as defined in Minnesota Statutes 349.12, Subdivision 25(a).</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>8. If the expenditure relates to real property, attach a floor plan of the building or use the back of this form to draw the floor plan.</p> <p>9. Attach all documentation to this request.</p>			
Chief executive officer signature		Date	Gambling manager signature
Print name		Daytime phone	Date
Print name		Daytime phone	Date
Mail to: Gambling Control Board Suite 300 South 1711 West County Road B Roseville, MN 55113		GCB Recommendation: ___ Approve Staff initials ___ ___ Deny	Director review ___ Date _____

**Questions?** Call the Gambling Control Board at 651-639-4000. This form will be made available in alternative format (i.e. large print, Braille) upon request.

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# Minnesota Lawful Gambling LG267 Worksheet for Code A22 Real Property or Capital Assets

Organization name		License number	
<p><b>The use of this worksheet is optional.</b></p> <ul style="list-style-type: none"> <li>Do not include B code projects approved by the Gambling Control Board prior to 7-1-09.</li> <li>Do not use this worksheet for real property or capital assets used exclusively for lawful purpose.</li> </ul>			
Column A Fiscal year (month/year)	Column B - Projects List project/items for the repair, maintenance, improvement of real property or capital assets, or building-related capital assets that are not no longer repairable.	Column C Amount spent	Column D - Annual limit and Balance For code A22 expenditures, determine your annual 5% limit: 1. Total gross profits previous FY July through June. \$ _____ 2. Multiply line 1 by .05 \$ _____ When 1st expenditure made, subtract Column C from line 2 above and enter in Column D. Thereafter, subtract Column C from Column D.
July/			
Aug/			
Sept/			
Oct/			
Nov/			
Dec/			
Jan/			
Feb/			
Mar/			
Apr/			
May/			
Jun/			
<b>REQUIREMENTS</b> The building or building-related capital assets must be: <ul style="list-style-type: none"> <li>owned by the organization, and</li> <li>made available to other nonprofits free of charge or used for the organization's headquarters or primary mission.</li> </ul>	<p><b>ALLOWED within 5% limit: LPE Code A22</b></p> <ul style="list-style-type: none"> <li><b>ADA</b> - Bring existing owned building into compliance</li> <li><b>ADA</b> - Amount applied to replacement building. Use LG268 for Gambling Control Board approval.</li> <li><b>General areas:</b> meeting and banquet areas, kitchen, bathrooms, entryway</li> <li><b>Repair, maintenance, or improvement of equipment used by nonprofits:</b> tables, chairs, appliances, microphone/speakers, etc.</li> <li><b>HVAC</b> - Heating, air conditioning, ventilation systems</li> <li><b>Parking lot, sidewalk, landscaping</b></li> <li><b>Roof, chimney, siding, exterior</b></li> </ul>	<p><b>NOT ALLOWED AS LPE</b></p> <ul style="list-style-type: none"> <li><b>Building expansion</b></li> <li><b>Bar-related</b> - Remodeling of bar area, bar items (furniture, glasses, carpeting, lighting, cooler, etc), patio or deck used for bar or restaurant, smoking rooms</li> <li><b>Commercial portion of building</b> - Apartments, restaurant, bakery, barbershop, etc (not related to primary mission)</li> <li><b>Items for organization offices</b> - desk, chairs, file cabinet, phone, computer, printer, etc.</li> </ul>	<p>Total expenditures for the fiscal year may not exceed the 5% limit unless prior Gambling Control Board approval is obtained (using LG269) due to extenuating circumstances. Any remaining balance may not be carried forward for the next FY. <b>Questions?</b> Contact your compliance specialist at the Gambling Control Board.</p>



**Minnesota Lawful Gambling**  
**LG269 Request to Exceed Annual Limit for Code A22**

Organization name	License number	
Street	City	State/Zip code
<b>Expenditure</b> (attach additional sheets if necessary)		
<p>For each <b>current</b> fiscal year (July to June) an organization may expend up to 5% of gross profits for the <b>previous</b> fiscal year's activity (July to June) for certain real property and building-related capital assets.</p> <p>We are requesting approval to exceed the 5% annual fiscal year limit due to extenuating circumstances.</p> <p>1. Proposed amount \$ _____</p> <p>2. If a loan will be obtained, what is the principal amount \$ _____ Interest amount \$ _____</p> <p>3. Describe the project in detail.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>4. Describe the extenuating circumstances that will cause your organization to exceed the annual limit.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>5. Attach the following:</p> <ul style="list-style-type: none"> <li>• LG267 Worksheet for Code A22 Real Property or Capital Assets,</li> <li>• Supporting documentation, including bids, invoices, and work orders</li> </ul>		
Chief executive officer signature	Date	Gambling manager signature
		Date
Print name	Daytime phone	Print name
		Daytime phone
Mail to: Gambling Control Board Suite 300 South 1711 West County Road B Roseville, MN 55113	GCB Recommendation: _____ Approve Staff initials _____ _____ Deny	Director review _____ Date _____

**Questions?** Call the Gambling Control Board at 651-639-4000.  
 This form will be made available in alternative format (i.e. large print, Braille) upon request.

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**LG270 Request to Contribute Gambling Funds to Another Licensed Gambling Organization**

**Purpose of Contribution**

1. Amount of proposed contribution \$ \_\_\_\_\_
2. Funds will be used specifically for \_\_\_\_\_
3. Check the code for which the funds will be used exclusively for lawful purpose as defined in Minnesota Statutes 349.12, Subdivision 25:
  - A1 contribution to a 501(c)(3) organization or to a 501(c)(4) festival organization, that does not have more than 49% of its membership in common with the contributing organization, does not have officers in common, and does not exist primarily for the purpose of receiving and distributing gambling profits.
  - A2 poverty, homelessness, or disability
  - A3 state-approved program for the education, prevention, or treatment of problem gambling
  - A4 public or private nonprofit school
  - A5 contribution to defray cost of education for individuals
  - A6 recognition of military service, or for active military personnel in need
  - A7 recreational, community, & athletic facilities & activities intended primarily for persons under age 21
  - A11 church
  - A12 citizen monitoring of surface water quality by individuals or nongovernmental organizations [Attach LG555]
  - A13 wildlife management project or activity; grooming and maintaining snowmobile and ATV trails including purchase or lease of equipment; or DNR safety training and education programs; approved by DNR [Attach LG555.]
  - A14 congregate dining programs and nutritional programs for elderly or disabled
  - A15 community arts organization or program
  - A19 humanitarian service - recognizing volunteerism or philanthropy
  - A25 building made uninhabitable by fire or other catastrophic event (project approved by Gambling Control Board)

**Organization Making Contribution**

Organization \_\_\_\_\_ License Number \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ Zip Code \_\_\_\_\_

I affirm that the information is true and correct, that our organization will not receive anything in return for the contribution, and that the contribution does not result in any monetary, economic, financial, or material benefit for our organization.

Chief executive officer signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Gambling manager signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

**Organization Receiving Contribution**

Organization \_\_\_\_\_ License Number \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ Zip Code \_\_\_\_\_

I affirm that the information is true and correct, that the funds will not be used for fund-raising, and that the contribution will not result in any monetary, economic, financial, or material benefit to the organization making the contribution.

Chief executive officer signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Gambling manager signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Mail to: Gambling Control Board Suite 300 South 1711 West County Road B Roseville, MN 55113	GCB Recommendation: <input type="checkbox"/> Approve <input type="checkbox"/> Deny Staff initials _____	Director review _____ Date _____
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**Questions?** Contact the Gambling Control Board at 651-639-4000. This form will be made available in alternative format (i.e. large print, Braille) upon request. **Data privacy notice:** The information requested on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

**LG555 Government Approval or Acknowledgment For Use of Gambling Funds**

Keep this completed form attached to the Schedule C in your organization's records.  
 You do not need to submit this form to the Gambling Control Board or the Department of Revenue.

**Organization and Expenditure Information** (attach additional sheets if necessary)

Organization name \_\_\_\_\_ License number \_\_\_\_\_

Address \_\_\_\_\_

1. \$ \_\_\_\_\_ Amount of proposed lawful purpose expenditure

2. Check one expenditure category.

- A. Contribution to a unit of government** - United States, state of Minnesota, or any of its subdivisions, agencies, or instrumentalities. NOTE: A contribution may not be made directly to a law enforcement or prosecutorial agency, such as a police department, county sheriff, or county attorney.
- B. Wildlife management project or activity** that benefits the public at large, with approval by the DNR
- C. Grooming and maintaining snowmobile or all-terrain vehicle trails** established under Minnesota Statute 84.83 and 84.927, including purchase or lease of equipment, with approval by DNR. All trails must be open to public use.
- D. Supplies and materials for safety training and educational programs** coordinated by the DNR, including the Enforcement Division.
- E. Citizen monitoring of surface water quality testing** for public waters by individuals or nongovernmental organizations, with Minnesota Pollution Control Agency (MPCA) guidance on monitoring procedures, quality assurance protocols, and data management, providing that data is submitted to the PCA.

3. Describe the proposed expenditure, including vendors.

\_\_\_\_\_

\_\_\_\_\_

- **NO FINANCIAL OR OTHER BENEFIT:** I affirm that the contribution or expenditure does not result in any monetary, economic, financial, or material benefit to our organization, in compliance with Minnesota Rules 7861.0320, Subpart 17C.
- **FOR DNR-RELATED PROJECTS:** I affirm that when lawful gambling funds are used for grooming and maintaining snowmobile or all-terrain vehicle trails or for any wildlife management project for which reimbursement is received from a unit of government, the reimbursement funds must be deposited in our lawful gambling account and recorded on the Schedule C report.
- **FOR SURFACE WATER QUALITY TESTING:** I affirm that MPCA guidance has been consulted in developing the monitoring plan and that the data collected will be submitted to the MPCA. Send form for signature to: Manager, Water Monitoring Section, Minnesota Pollution Control Agency, 520 Lafayette Road North, St. Paul, MN 55155. Website is [www.pca.state.mn.us](http://www.pca.state.mn.us).

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
 Chief executive officer's signature Daytime phone number Date

Print name \_\_\_\_\_

**Government Approval/Acknowledgment**

Check one. *By signature below, the representative of the unit of government:*

- Government** - acknowledges the contribution which will not be used for a pension or retirement fund.
- Wildlife DNR** - approves the wildlife management project or activity.
- Trails DNR** - approves the grooming/maintaining of snowmobile and/or all-terrain vehicle trails.
- Safety training DNR** - approves the supplies/materials for DNR safety training and educational programs.
- Water quality testing** - MPCA approves the surface water quality testing project.

Unit of Government \_\_\_\_\_ Phone number \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Print Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**Questions?** Contact the Gambling Control Board at 651-639-4000. This form will be made available in alternative format (i.e. large print, Braille) upon request. The information requested on this form will become public information, when requested by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

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