

297E.06 ORGANIZATION REPORTS AND RECORDS.

Subdivision 1. **Reports.** An organization must file with the commissioner, on a form prescribed by the commissioner, a report showing all gambling activity conducted by that organization for each month. Gambling activity includes all gross receipts, prizes, all gambling taxes owed or paid to the commissioner, all gambling expenses, and all lawful purpose and board-approved expenditures. The report must be filed with the commissioner on or before the 20th day of the month following the month in which the gambling activity takes place. The commissioner may require that the reports be filed via magnetic media or electronic data transfer.

Subd. 2. **Business records.** An organization shall maintain records supporting the gambling activity reported to the commissioner. Records include, but are not limited to, the following items:

- (1) all winning and unsold tickets, cards, or stubs for pull-tab, tipboard, paddle wheel, and raffle games;
- (2) all reports and statements, including checker's records, for each bingo occasion;
- (3) all cash journals and ledgers, deposit slips, register tapes, and bank statements supporting gambling activity receipts;
- (4) all invoices that represent purchases of gambling product;
- (5) all canceled checks or copies of substitute checks as defined in Public Law 108-100, section 3, check recorders, journals and ledgers, vouchers, invoices, bank statements, and other documents supporting gambling activity expenditures; and
- (6) all organizational meeting minutes.

All records required to be kept by this section must be preserved by the organization for at least 3-1/2 years and may be inspected by the commissioner of revenue at any reasonable time without notice or a search warrant.

Subd. 3. **Accounts.** All gambling activity transactions must be segregated from all other revenues and expenditures made by the conducting organization.

Subd. 4. **Annual audit.** (a) An organization licensed under chapter 349 with gross receipts from lawful gambling of more than \$300,000 in any year must have an annual financial audit of its lawful gambling activities and funds for that year. An organization licensed under chapter 349 with gross receipts from lawful gambling of more than \$150,000 but not more than \$300,000 in any year must have an annual financial review of its lawful gambling activities and funds for that year. Audits and financial reviews under this subdivision must be performed by an independent accountant licensed by the state of Minnesota.

(b) The commissioner of revenue shall prescribe standards for audits and financial review required under this subdivision. The standards may vary based on the gross receipts of the organization. The standards must incorporate and be consistent with standards prescribed by the American Institute of Certified Public Accountants. A complete, true, and correct copy of the audit report must be filed as prescribed by the commissioner.

History: *1994 c 633 art 2 s 7; 2001 c 96 s 5; 2005 c 151 art 8 s 8*