



[Retailer Payment Policy]

[Office of Finance]

[LOT-FI-0007]

[June 13, 2017]

PURPOSE:

The purpose of the Retailer Strike Policy is to provide uniform and effective guidelines for managing the non-transfer of funds to the Lottery by Sales Retailers. The Finance Office will administer the guidelines of this policy. A Retailer is required to have sufficient funds available for the weekly Electronic Funds Transfer (EFT). Any time sufficient funds are not available, the Retailer has a Non-Transfer of Funds (NTF) situation. When a NTF has occurred, the Retailer will be charged with a strike and penalties will occur. Retailers who have not brought their accounts current as a result of any NTF within ten (10) calendar days from the bank return date can face automatic cancellation. Automatic cancellation of a Sales Retailer license also takes place if five strikes have accrued during any six-month period.

DEFINITIONS:

Bank Return Date - The date the Lottery is notified by the bank of a NTF condition.

Deactivation of Terminal -The Retailer's terminal will be placed in an inactive status and is suppressed.

Non-Transfer of Funds (NTF) -A NTF is an insufficient account balance which may include but not limited to funds not available for withdrawal from an Ohio Lottery Retailer bank account.

Strike - The Retailer receives a "strike" against their license when a NTF occurs. The Lottery generates one combined invoice for Instant and On-Line sales. If the funds are not available for collection of an invoice, the Retailer will receive one strike.

Strike Period - A strike shall remain in the system six months from the bank return date. Once the six-month period has expired, the strike will be removed.

Non-Sufficient Funds (NSF) Fee - In a NTF situation, the Retailer will be assessed a fee for every bank return (NTF).

Payment Terms - Upon notification of a NTF, payment must be made in full by a cash deposit or wire transfer at any PNC location into the Lottery's account. The wire or cash deposit must be done by 2:00 p.m. on the day of the NTF Return. The retailer is to send a fax copy of the wire or cash receipt showing the deposit by 2:00 p.m. to their local Regional Office or the Retailer Accounts department @ (216)787-3694. If the retailer can demonstrate that a cash deposit or wire transfer cannot be performed, the Lottery will accept an official bank check or money order which is to be hand-delivered to the Regional Office,



Lottery Central or sent via overnight mail to: The Ohio Lottery Commission, Attention: Retailer Accounts Department, 615 West Superior Avenue, Cleveland, Ohio 44113-1879.

Penalty Period - The penalty period is the time that elapses between the Retailer's terminal being deactivated and subsequently reactivated due to a NTF condition. Any Retailer not making payment of an NTF within ten (10) calendar days of the bank return date may be subject to cancellation.

POLICY:

Retailers who fail to make payment to the Lottery may be charged a fee or have their transaction capability suspended.

Strike One Thru Four Notifications:

A notice of NTF and deactivation are forwarded to the Regional Office. The regional Office will then contact the retailer to advise them of the NTF. There is no deactivation of the terminal if cash deposit, wire, money order or official check evidence is faxed to a Regional Office or into Lottery Central by 2:00 p.m. of the day of the bank return date; otherwise deactivation will be initiated until the copy of the payment is received. In the case of the Retailer making payment by check, the actual check must be received by the next business day. If payment is not received within ten (10) days of the NTF notification, please refer to the collections policy for further action.

Strike Five Notification:

A notification of intent to cancel and right to an adjudication hearing is mailed via a certified letter to the Retailer. The terminal is deactivated upon receipt of the NTF notification from the bank. The Retailer will not be reactivated unless full payment is received by Finance and a written notification is received from the Legal Department indicating that the Sales Retailer prevailed at the hearing or the matter was otherwise resolved.

The Lottery reserves the right to deactivate a Retailer's terminal if payment is not received within 24 hours of the bank return date, regardless of being in receipt of a fax copy of payment.

BREACH OF POLICY:

A violation of any part of this policy may be subject to disciplinary action up to and including termination.

THIS POLICY SUPERSEDES AND REPLACES ANY AND ALL PREVIOUSLY ISSUED POLICIES ON THIS SUBJECT



Revision History		
Status	Date	Changes
First Issued	June 22, 2012	-
Revised	August 27, 2015	Content Changes
Revised	June 13, 2017	Content Changes and Renumbered (Formerly: FI-08-01 A.2)