



OVERVIEW

The relationship between the Ohio Lottery Commission (OLC) and a Video Lottery Sales Agent (VLSA) is one of trust. A video lottery sales agent collects funds on behalf of the OLC through lottery sales from which a video lottery sales agent receives a commission.

REFERENCE DOCUMENTS

Ohio Administrative Codes [3770:2-6](#), [3770:2-7-02](#),
Ohio Revised Code [3770.071](#), [.072](#), & [.073](#)
Ohio Revised Code [3770.21](#)
Ohio Revised Code [5747.064](#)

Video Lottery Sales Agent Terms and Conditions

STANDARDS

Business Day - The video lottery business day runs as communicated to the VLSA with wager processing capability 24 hours a day. The traditional Lottery business day corresponds to a calendar day and sales of those products including Keno will be processed under the existing VLSA processes.

Business Week - The video lottery business week runs from Sunday to Sunday as communicated to the VLSA with wager processing capability 24 hours a day.

Settlement Date - At the end of each week, the Lottery Commission will reconcile activity for the previous week and create an invoice identifying the commission amount due to the VLSA. The OLC will generate an invoice report and submit to the VLSA each week for processing.

Problem Gambling Services – In accordance with ORC Section 3769.087 (C), the OLC will invoice an additional one-half of one percent of each VLSA commission. The purpose is to provide funding support for programs for gambling addiction and other related services.

Payment - The VLSA is required to make weekly deposits of game proceeds into their designated lottery account. This account is electronically debited or credited on a weekly basis.

Minimum Bankroll - A facility operator shall at all times maintain in its cashier's cage or in bank, (subject to OLC approval) a reserve cash bankroll sufficient to pay all winning wagers. The VLSA shall propose a minimum level and shall describe the methodology for calculating and adjusting the minimum.



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Video Lottery Prize Payment - The VLSA is required to follow section 6041 of the Internal Revenue Code for W-2G reporting guidelines with respect to video lottery prize payments.

Pursuant to Ohio Revised Code (ORC) 3770.072 and 5747.064, prize awards of one thousand two hundred dollars or more from video lottery terminals are subject to State of Ohio tax withholding and may be subject to municipal tax withholding depending upon the jurisdiction of the facility location. A lottery sales agent shall deduct and withhold Ohio income tax from the person's prize award at a rate of four percent of the amount won. The agent shall complete the applicable fields on the W2-G for the Ohio tax withholding.

Pursuant to ORC 3770.071 and 3770.073, the VLSA is required to intercept (withhold) prize payments for amounts owed to both the child support enforcement agency and the State of Ohio. The debt to the child support enforcement agency supersedes the State of Ohio debt. The VLSA will be required to make weekly deposits, of the withholdings into their designated lottery account. This electronic funds transfer will take place each week. The lottery will remit the withholdings and related data to the appropriate agency. The prize intercept procedures will be agreed to by the OLC and the VLSA.

Promotional Credits - A VLSA may offer promotional credits, also known as restricted promotional credits as approved by the Director. Restricted promotional credits must be played and cannot be cashed. Credits won from restricted promotional credits are permitted to be cashed. Promotional credits used during the billing cycle will be subtracted from the invoice totals so that restricted promotional credits are not included in the invoice calculation.

The VLSA shall present an annual promotional credit plan which shall propose the quantity of restricted promotional credits to be awarded and shall describe the allocation of credits among programs (e.g. direct mail, player loyalty).

The VLSA must provide, thirty days in advance, the rules and regulations of all promotions. Also the VLSA must provide a monthly report depicting the results each of their promotional play offers.

TITO - A VLSA must provide to the OLC, for review and approval, a sample of the TITO ticket layout, design and disclaimer language including language regarding expiration. The submission must permit the OLC to edit and approve prior to printing.

The Ohio Lottery prohibits VLSA employees from accepting TITO tickets as tips.



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Unclaimed Credit Vouchers - An unclaimed credit voucher is treated as an expired voucher on the 181st day following issuance. All funds from expired vouchers are due to the OLC the following business week. The funds from expired vouchers will not be included in the calculation of video lottery terminal income. There will be an adjustment created by the OLC as a separate item on the invoice as part of the video lottery terminal income.

Uncollected Jackpots - Any jackpot where a player has not provided adequate identification to the VLSA within 180 days is deemed uncollected. The VLSA shall provide the OLC, for approval, a policy describing their reasonable attempts to contact the player prior to the 181st day. The policy shall also describe the disposition of the uncollected funds. The VLSA may choose to honor the jackpot after 180 days at their discretion.

Abandoned Credits- The VLSA must cash-out any abandoned credits on a VLT by creating a TITO voucher. The VLSA shall make reasonable efforts to identify and return the TITO voucher to the original owner. In the event the owner cannot be identified or the owner does not retrieve the TITO voucher within 180 days, the VLSA must adhere to the Unclaimed Credit Voucher operating standard.

In the event a TITO voucher cannot be generated, the funds from abandoned handpays above \$20.00 shall be treated according to the Unclaimed Credit Vouchers operating standard. Abandoned handpays \$20.00 or less will be treated per the VLSA's Found Money policy.

Abandoned Promotional Credits - Abandoned promotional credits must be played off and the VLSA must cash-out any remaining cashable credits on a VLT by creating a TITO voucher, which shall become an unclaimed credit voucher. Any unplayable promotional credits, which are promotional credits less than the minimum bet allowed by the VLT, can remain on the VLT and be available to the next patron. In the event a jackpot prize is won while abandoned promotional credits are played off, the VLSA must void the jackpot. The VLSA must notify Ohio Lottery Regulators immediately at VLT@lottery.ohio.gov of the details of the voided jackpot. There will be a financial adjustment created by the OLC as a separate item on the invoice as part of the video lottery terminal income.

Excluded Patron Play - The VLSA is required to "void" any jackpots won by an excluded patron. In addition, the VLSA must cash-out any remaining credits on the VLT by creating a TITO voucher. This voucher shall be left to expire. The VLSA must notify Ohio Lottery Regulators immediately at VLT@lottery.ohio.gov of the details of the excluded patron jackpot. There will be a financial adjustment created by the OLC as a separate item on the invoice as part of the video lottery terminal income.

Underage Jackpot - The VLSA is required to "void" any jackpots won by an underage patron. In addition, the VLSA must cash-out any remaining credits on the VLT by creating a TITO voucher. This voucher shall be left to expire. The VLSA must notify



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Ohio Lottery Regulators immediately at VLT@lottery.ohio.gov of the details of the underage patron jackpot. There will be a financial adjustment created by the OLC as a separate item on the invoice as part of the video lottery terminal income.

Customer Credit - A VLSA may extend credit to a player for the purpose of playing Video Lottery Terminals. The VLSA shall submit customer credit policies, procedures and internal controls to be approved by the OLC.

Player Check Cashing - The VLSA is permitted to cash traveler's checks, bank cashier's checks, money orders and personal checks drawn on the player's personal account made payable to the VLSA or the player only. No restrictions as to the amount cashed. No fee restrictions for cashing. The VLSA shall describe the check verification services and proposed fees.

Automatic Teller Machine (ATM) - A VLSA may place an ATM in the gaming area. The ATM can allow access to a player's bank accounts via debit or ATM card. The VLSA shall describe controls in place to deter fraud or abuse.

Purchasing - Pursuant to Ohio Revised Code [3770.21](#) the VLSA shall present for approval a Minority Business Enterprise (MBE) and Encouraging Diversity, Growth, and Equity (EDGE) plan.

COMPLIANCE

The VLSA shall submit Financial Procedures to the OLC for review and approval. The procedures shall address each of the categories identified above and any additional information deemed pertinent by the VLSA.

CONTACT

Questions regarding the OLC program may be directed to:
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