



*This article presents general guidelines for Georgia nonprofit organizations and should not be construed as legal advice. Always consult an attorney to address your particular situation.*

## **Bingo Games as Fundraisers**

Georgia law distinguishes between two types of bingo games – recreational and non-recreational. Recreational bingo games are operated at no charge to participants and the prizes awarded for each game have a value of \$15 or less. Non-recreational bingo games involve fees for participants to play and/or have prizes valued at more than \$15. A typical bingo fundraiser requires an entrance fee for participants to play bingo games. The nonprofit organizer of the event keeps the revenue in excess of the prizes and operation expenses. A bingo event organized in this way is considered illegal gambling unless the nonprofit obtains the proper license.

### **Recreational Bingo**

Recreational bingo is not a form of illegal gambling in Georgia. Recreational bingo means games that are operated at no charge to participants and the prizes for each game are non-cash prizes that have a value of \$15 or less.

- Recreational bingo also includes bingo sessions in which the participants are senior citizens attending a function at a facility of a tax-exempt licensed organization or are residents of nursing homes, retirement homes, senior centers, or hospitals. The prizes for each bingo game during the bingo session shall be nominal cash prizes not to exceed \$5 for any single prize.
- Recreational bingo is not subject to the licensing requirements of Georgia.

### **Non-Recreational Bingo**

Non-recreational bingo games involve fees to participants to play and/or have prizes valued at more than \$15.

While non-recreational bingo games are generally considered illegal in the state of Georgia, the Georgia Code allows bingo games to be conducted by nonprofit, tax-exempt organizations that obtain the proper license.

### **Obtaining a Bingo License**

Nonprofit organizations must apply for a bingo license through the Georgia Bureau of Investigation. The license requires a \$100 fee. The application must contain the following information:

- *name and home addresses of organization's officers and directors;*
- *name and address of each person who will be operating, advertising, or promoting the bingo game;*
- *names and addresses of any persons, organizations or other legal entities that will act as surety for applicant (i.e. any persons or organizations who will be providing the prizes for the bingo game);*
- *determination letter from the IRS certifying that the organization is tax-exempt;*

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- *determination letter from the Georgia Department of Revenue certifying that the organization is tax-exempt; and*
- *the location where the bingo game will be conducted.*

The application form for a bingo license can be found at [http://qbi.georgia.gov/vgn/images/portal/cit\\_1210/14/22/157266064ApplicationForm\\_B01.pdf](http://qbi.georgia.gov/vgn/images/portal/cit_1210/14/22/157266064ApplicationForm_B01.pdf).

### **Requirements for Operation of Bingo Game**

The operation of the bingo game must follow several regulations and restrictions. The licensed bingo game must occur at a location:

- owned by the organization;
- leased by the organization and used regularly by the organization for purposes other than operation of bingo games; or
- leased by the organization from another nonprofit, tax-exempt organization.

In addition, the organization holding the bingo license must:

- Own all equipment used to conduct each bingo game or lease such equipment;
- Display its bingo license conspicuously at the location where the bingo game is being conducted;
- Conduct bingo games only at the single location specified in the organization's application;
- Not conduct more than one bingo session during any one calendar day, which cannot last longer than five hours; and
- Not permit anyone under the age of 18 to play in a bingo game unless accompanied by an adult.

The prizes awarded may not exceed \$1,500 in cash or gifts of equivalent value during any calendar day or \$3,000 in cash or gifts of equivalent value in any week.

### **Record-Keeping and Reporting Requirements**

The nonprofit organization with a bingo license must file a report with the Georgia Bureau of Investigation director on or before April 15 of each year. This report must disclose the receipts and expenditures relating to the operation of all bingo games during that year and must be prepared and signed by a certified public accountant.

Records regarding each bingo session must be kept by the organization for at least three years. These records must contain:

- *an itemized list of all gross receipts,*
- *an itemized list of all expenses (other than bingo prizes),*
- *a list of the prizes awarded and the names of any persons who win prizes valuing \$50 or more,*
- *a list of each person receiving the proceeds of the bingo game, and*
- *the number of participants in any bingo session.*

### **One-Day Bingo License**

Nonprofits can also apply for one-day bingo license with the Georgia Bureau of Investigation, which will allow the nonprofit to operate a bingo game one day annually. At the discretion of the director, the application and license fee may be waived for this one-day license.