

## **INSTRUCTIONS FOR FORM WV/RAF-3 (CHARITABLE RAFFLE FINANCIAL REPORTS)**

Raffle financial reports must be filed within thirty days after the expiration of the license, on forms provided by the Tax Commissioner. WVC § 47-21-22.

**(HEADING):** The heading of the financial report must include the name and address of the organization that holds the license, the identification number and account number issued to the organization by letter from the State Tax Department, and the date that the letter was issued.

**REPORT PERIOD:** The same form is used for annual or limited occasion reports. Indicate the report period in the box provided. Check the box provided if the report is an annual report.

### **CALCULATION OF ENDING BALANCE**

(Complete schedules A, B and C on page 2 of the form before filling out this section.)

#### **Line Number**

1. Total Gross Proceeds. Enter the amount from Schedule A, Line 4.
2. Total All Prizes. Enter the amount from Schedule B, Line 5.
3. Total Raffle Expenses. Enter the amount from Schedule C, Line 9.
4. Net Profit or Loss. Subtract Prizes (Line 2) and Expenses (Line 3) from Gross Proceeds (Line 1). Losses should be written in parentheses.
5. Beginning Balance (Enter the unexpended balance at the end of the previous license year). The licensee **MUST** distribute funds equal to or greater than this amount to charitable or public service purposes during the ensuing license year; e.g., funds earned in the year 2000 must be donated before the end of 2001.
6. Deposits in Raffle Account. Enter the dollar amount of all deposits into the raffle account during the license year.
7. Adjustments in Raffle Account. This should include **ALL** other deposits or credits not reported on Line 6. For example: interest earned on deposits. A detailed explanation of any amounts reported on this line must be attached to the financial report.

8. Monies Transferred to Bingo Account to Cover Losses
9. Amounts Contributed to Organizations this Year. This includes donations to the licensee, if it is a qualified recipient organization.
10. Ending Unexpended Balance. Add lines 4, 5, 6, and 7, then subtract lines 8 and 9. The unexpended balance reported here should be the same amount as reported in the raffle bank account at the end of the reporting period. This amount MUST be distributed for charitable or public service purposes during the 12-month period immediately succeeding the end of this reporting period.
11. Year End Inventory (Dollar amount paid for games on hand) This figure will be reported so as to reflect the cost to the licensee for these items.
12. Percentage Used to Pro-Rate Expenses (If Applicable)

**NAME OF THE BANK AND RAFFLE CHECKING ACCOUNT NUMBER**

Enter the name of the bank where the raffle checking account is held, along with the account number.

**CONCESSIONS**

Enter the name of the concession operator, if it is not the licensee.

Calculate the net profit or loss (line 3) from concessions by subtracting the expenses (line 2) from the receipts (line 1).

**SCHEDULE A – GROSS PROCEEDS**

Line Number

1. Sale of raffle tickets—all revenue generated through raffle ticket sales during the reporting period should be reported here.
2. Donated prizes—all prizes donated to the licensee and awarded as prizes during the reporting period, must be reported here. The amount reported shall be the fair market value of the prize at the time of acquisition.
3. Any other receipts received by the licensee during the reporting period shall be reported here. Any moneys received by the licensee for providing child care services related to the raffle occasion shall be reported here.

4. **Total Gross Proceeds** must equal the sum of lines 1 – 3. Enter this number on Page 1, Line 1.

### **SCHEDULE B – PRIZE PAYOUTS**

1. The amount of money awarded as prizes, either by cash or check, must be reported here.
2. The fair market value of all merchandise purchased by the licensee and awarded as prizes must be reported here.
3. The fair market value of all prizes donated to the licensee and awarded as prizes must be reported here.
4. The fair market value of any door prizes awarded during the reporting period shall be reported here.
5. The TOTAL value of ALL prizes awarded during the reporting period (the sum of lines 1 – 4) shall be reported here. Enter this number on Page 1, Line 2.

### **SCHEDULE C – RAFFLE EXPENSES**

1. Rental of premises used for raffle occasions.
2. Salaries and related payroll taxes shall be reported here.
3. Losses from bad checks during the reporting period shall be reported here.
4. Cost of utilities incurred in connection with raffle activities during the reporting period shall be reported here.
5. Cost of raffle supplies (boards and games) incurred during the reporting period shall be reported here. Only the amounts of actual payments shall be reported.
6. Cost of custodial services, security and child care services incurred in connection with raffle activities during the reporting period shall be reported here.
7. Cost of maintenance and repairs incurred in connection with raffle activities during the reporting period shall be reported here.

8. ALL other expenses incurred in connection with raffle activities during the reporting period shall be reported here. This includes the license fee and any professional fees such as legal expenses and accounting fees related to the raffle operation.
9. **Total Expenses** of conducting raffle operations must equal the sum of lines 1 – 8. Enter this amount on Page 1, Line 3.

### **SIGN THE REPORT**

If total receipts (Schedule A, line 5) exceed \$50,000, the financial return must be signed by a Certified or Licensed Public Accountant.

The completed report should be mailed to the Charitable Bingo/Raffle Unit, P.O. Box 1143, Charleston, West Virginia 25324-1143 by the applicable due date.

Late reports are subject to a late fee of \$25 for each month or portion of a month that the report is past due, up to a maximum of \$100. After the maximum penalty is reached, the organization's charitable raffle license will be suspended or revoked.

### **LISTING OF CHECKS (Page 3)**

Provide a detailed list of all checks paid out of the raffle account. Use additional sheets if necessary.

### **LISTING OF WINNERS (Page 4)**

West Virginia Code §47-21-22 requires licensees to report the name, address and social security number of any individual who received prizes which valued in the aggregate more than one hundred dollars during the course of any raffle occasion. Failure to report this information, or reporting fraudulent information, may subject the licensee organization to administrative or criminal penalties.