This booklet contains:
• helpful information on the conduct of electronic pull-tabs
• Form LG862, Daily Cash Bank Accounting for Electronic Pull-tabs
• Form LG863, Electronic Pull-tab Device Log

Questions? Contact a compliance specialist.

Roseville Office       651-639-4000
St. Peter Office       507-931-5112
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Hibbing Office         218-262-7301

Website: www.gcb.state.mn.us
ELECTRONIC PULL-TAB BASICS
INFORMATION FOR THE CONDUCT OF ELECTRONIC PULL-TABS

E-tabs (electronic pull-tabs) are played in almost the same manner as paper pull-tabs. A player buys a ticket with one or more windows concealing symbols. The player opens the windows to determine whether the symbols on the ticket match the winning symbols as listed on the game flare.

Although e-tab games play in almost the same way, there are some differences in the way e-tab games are conducted.

- There are no paper pull-tab tickets to count, deface, or store.
- A player pays cash to a seller who then puts cash credit on a hand-held device.
- The devices “communicate” with an on-site point-of-sale computer (POS) using a secure Wi-Fi connection.
- The player uses the cash credit on the device to purchase e-tab tickets one at a time.
- A single cash drawer, similar to the cash register system currently allowed for paper pull-tabs, is used for all e-tab games in play.
- Net receipts for each day’s e-tab activity must be deposited within two business days.
- Winning electronic tickets are redeemed instantly by automatically adding cash credit to the hand-held device.
- Prize receipts are not required for e-tab games.
- Money is paid to players only when the device is returned with a cash credit balance.

Purchasing E-Tab Games
- E-tab games are ordered from a licensed distributor in the same way as paper pull-tabs, but are “delivered” to the site electronically as determined by the licensed organization and distributor.
- The actual purchase is made as each game is electronically loaded on the point-of-sale (POS) computer and made available for play.

Obtaining E-Tab Equipment and Handheld Devices
- The computer, hand-held devices, and other equipment needed to conduct e-tabs are provided by or leased from a licensed distributor.
- Costs of the internet access needed to operate the e-tab system must be paid by the lessor.
Starting Cash Banks

If Lessor Provides Start Bank
- The lessor may provide the starting cash bank if e-tabs are sold by the lessor or the lessor’s employees. The organization’s gambling manager should work with lessor to determine appropriate bank amount.
- The lessor is responsible for having sufficient cash on hand to pay players for the cash credit amounts on all returned e-tab devices.

Organization Provides Start Bank
- The organization is responsible for having sufficient cash on hand to pay players for the cash credit on all returned e-tab devices.
- It’s recommended that the organization maintain a reserve start bank in a safe located at the site. If necessary, these funds can be used to replenish the start bank at the end of the day’s activity when the ending cash balance is lower than the starting cash bank amount.
- If a reserve bank is maintained, the organization should keep a log of all funds taken from and returned to the reserve bank.

Tracking Deposits and Shortages

Lessor Provides Start Bank
- At the end of each day, the lessor or a lessor’s employee prepares a cash deposit equal to the net receipts of that day’s activity (no cash shortages).
- The organization designates a person (may be an organization employee or volunteer, the lessor, or one of the lessor’s employees) to deposit the cash within two business days.
- The organization is able to remotely monitor each day’s net receipts and compare these amounts to the cash deposited into the gambling account.

Organization Provides Start Bank
- LG862, Daily Cash Bank Accounting for E-tabs, is used to track shortages and deposits.
- One line on the form is completed for each day’s activity.
- At the end of each day, the seller prepares a cash deposit equal to the cash proceeds of that day’s activity.
- The organization designates a person (may be an organization employee or volunteer, the lessor, or one of the lessor’s employees) to deposit the cash within two business days.

Maximum Number of E-tab Devices Available for Play at Each Site
- Six for sites with less than 200 seats.
- Twelve for sites with 200 or more seats.
- Fifty at sites where the primary business is bingo (bingo hall) and the site seats at least 100 people.
- Seating capacity is determined by the fire marshal and is posted at each site.
E-tab Game Requirements

- 25 cent minimum ticket price
- $5 maximum ticket price (same as paper pull-tabs)
- Prize limits are the same as for paper pull-tabs
- 7500 ticket maximum per deal
- E-tab games may be cominged. (Tickets from multiple deals of the same form number and ticket price are electronically “mixed” together. When a player purchases a ticket, it is randomly selected from any one of the cominged deals.)
- The form number and serial number is listed on each ticket purchased.

Sales to Players

- Players must present a valid picture identification card that includes the player’s address and date of birth.
- Seller enters information on LG863, Electronic Pull-tab Device Log and assigns a device to the player (an adhesive print-out from a driver’s license scanner may be attached to the log sheet instead of filling out the information by hand).
- Player gives cash to seller for the amount of cash credit the player would like loaded on the hand-held device.
- Seller collects cash and uses point-of-sale computer (POS) to load cash credits on device and then gives the e-tab device to the player.

Using a Hand-held Device to Purchase E-tabs

- Player selects an e-tab game from list of games currently in play.
- Player is able to view game flare information.
- When player purchases a ticket, cash credit amount goes down.
- When player wins, cash credit increases.

“Cashing Out” E-tab Devices

- If cash credit remains on the device when the player discontinues playing, the player brings the device to seller. The seller then pays the player for the value of the cash credit on the device.
- No prize receipts or federal withholding forms are required regardless of the amount of cash credit being paid out.
- If a hand-held device has any cash credits remaining on it that were not redeemed by the end of the day’s activity, the outstanding cash credits revert to the organization.

What if the site loses power while e-tab devices are in play?

- The POS has a battery backup that will allow all devices in play to be cashed out.
What if someone takes a hand-held e-tab device from the premises?

- The device is designed so that it cannot be used for any purpose other than e-tab games conducted within range of the POS computer. Once the device leaves the site, it has no usefulness.
- If a device is stolen, the organization should contact local police and notify the licensed distributor.
- If the device is stolen while a player is using it, the player will still be able to cash out using the POS computer.
- The LG863, Electronic Pull-tab Device Log, is used to determine who was in possession of the device at the time of the theft.
- Unauthorized possession of an electronic gaming device is a crime.

What if a hand-held e-tab device is damaged by a player?

- If cash credit was on the device when it was damaged, the seller will still be able to cash out the device using the POS computer.
- If the damage was done intentionally, it should be treated as vandalism.
- Unintentional damage should be dealt with on a case-by-case basis.
- The LG863, Electronic Pull-tab Device Log, is used to determine who was in possession of the device at the time it was damaged.

Month-end Reporting

Inventory

- A list of the games in play and each game’s cost must be included on the organization’s month-end LG846 Physical Inventory report.

Cash Long or Short – Organization Provides Cash Bank

- The organization must complete the “month-end cash drawer reconciliation” section of form LG862, Daily Cash Bank Accounting for Electronic Pull-tabs form.
- The ending month-to-date cash long or short amount is applied to the last game closed during the month.

Cash Long or Short – Lessor Provides Cash Bank

- There will be no cash long or short amounts. Deposits made during the month must equal each day’s net receipts.

Reporting Game Results to the Minnesota Department of Revenue

- E-tab games closed during the month are reported on a separate Schedule B-2, Lawful Gambling Report of Barcoded Games, from any paper pull-tab games reported as closed. See the Department of Revenue’s Lawful Gambling Tax booklet for complete instructions.
**LG862 Daily Cash Bank Accounting for Electronic Pull-tabs**

This information is required daily to monitor cash banks and reconcile cash shortages each month.

**Exception:** This form is not required if the bar owner (lessor) provides the cash bank.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
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</thead>
<tbody>
<tr>
<td>Date</td>
<td>Cash in drawer at start of day/shift</td>
<td>Seller's Initials</td>
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<td>Seller's Initials</td>
<td>Cash proceeds or (loss) Col. D—Col. B</td>
<td>Net Receipts (from POS)</td>
<td>Cash long or (short) Col. F—Col. G</td>
<td>Col. J from previous line</td>
<td>Month-to-date cash long or (short) Col. H + Col. I.</td>
<td>Deposit or (replenishment) amount. Equals sum of all Col. F amounts for that day’s activity.</td>
<td>Cash in drawer after deposits Col. D — Col. K</td>
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<tr>
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## LG862 Daily Cash Bank Accounting for Electronic Pull-tabs

<table>
<thead>
<tr>
<th>Site name</th>
<th>Month/Year</th>
</tr>
</thead>
</table>

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<tr>
<th>A</th>
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<th>D</th>
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### Month end cash drawer reconciliation

**On the last day of the month:**

1. Net receipts for last game closed in month as listed on Schedule B2, Lawful Gambling Report of Bar-coded Games, Column J
2. Ending month-to-date cash long or short [equals final entry in column J (above) for the month]
3. Adjusted cash in hand amount for the last game closed in the month. Add lines 1 and 2. (Report this amount on Schedule B2, Column K for last game listed as closed in the month)
4. Serial number of last game listed as closed in the month
Instructions
LG862 Daily Cash Bank Accounting for Electronic Pull-tabs

Complete a new form each month. Use one line on the form for each day’s e-tab activity.

Before e-tab sales begin for the first time in the month:
- Enter the date in column A, the amount of cash in the cash drawer in column B, and initial column C.
- The amount in the cash drawer should equal the starting cash bank amount at the beginning of the month listed at the top of the form.

At the conclusion of sales for the day:
- Enter the total cash amount in the cash drawer in column D, initial column E, and complete columns F through L. Obtain the net receipts amount from the point-of-sale terminal (POS).
- Prepare a deposit slip for the amount in column K. Keep the cash to be deposited safely separated from the organization’s other cash until the deposit is made.

Monitoring Shortages by Shift
- LG862 can also be used to monitor shortages by shift. Complete columns A through J for each shift. Complete columns K and L only after the last shift of the day. It may be necessary to print additional sheets of the LG862 form.

Negative Cash Proceeds
- If the amount in column F is negative at the end of the day, replenish the starting cash bank amount with cash from a reserve cash bank (a cash bank amount that is kept in the safe and only used to temporarily replenish other active cash banks).
- The organization should then reimburse their reserve bank as soon as reasonably possible.

Month-end Reconciliation
- After the close of e-tab activity for the month, complete the “Month-end cash drawer reconciliation” section of the form located on the bottom of page 2.
- Refer to the POS report of all games closed during the month. The report will include information needed to complete Schedule B-2, Lawful Gambling Report of Bar-coded Games. The last game listed on the Schedule B-2 is used to account for the sum of the month’s daily cash longs and shorts.
## LG863 Electronic Pull-tab Device Log

### Organization name
______________________________

### Site name
______________________________ License/premises permit number ____________

<table>
<thead>
<tr>
<th>Device Number</th>
<th>Player Information</th>
<th>Date</th>
<th>Name (Print)</th>
<th>Address</th>
<th>City, State, Zip</th>
<th>Time In</th>
<th>Time Out</th>
<th>Driver’s license number or ID # from other picture identification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Attach Scanner Label or Print information</td>
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**Instructions**

**LG863 Electronic Pull-tab Device Log**

The form is used to track who has checked out and returned an electronic pull-tab device.

**Two Methods of Use**

**One Sheet for Each Device**
- Enter the device number in the box at the form’s upper right-hand corner.
- Ignore the “Device Number” cells in the body of the form.

**One Sheet for All Devices**
- Ignore the device number box at the top of the form.
- Enter the device number of each checked out device in the “Device Number” box to the left of each player’s information.

**Checking Out a Device**
- Enter the date and time the device was checked out.
- Enter the player’s name, address, and driver’s license number or other valid identification number. The identification must include the player’s picture and birthdate.
- A driver’s license scanner that prints an adhesive label may be used to enter the player’s name, address, and driver’s license number. Attach the label over the cells where the information would otherwise be handwritten.

**Return of a Device**
- When a device is returned, enter the time in the “Time In” box located to the immediate right of the “Time Out” box.
- It’s recommended that the seller periodically double-check the Pull-tab Electronic Device Log to ensure that all information has been properly recorded for each device.

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