

**Nebraska Class II
Lottery by Pickle Card
Quarterly Report**

Form 35D



C H A R I T A B L E

G A M I N G

IMPORTANT — PLEASE READ

This booklet contains the quarterly reporting forms to be completed and filed with the Nebraska Department of Revenue by any nonprofit organization which holds a Class II license to conduct a lottery by the sale of pickle cards in Nebraska. The Nebraska Pickle Card Regulations require a Class II licensee to make a complete, true, and accurate accounting to the Department on a quarterly basis of its gross proceeds from a lottery by the sale of pickle cards. **A copy of the report must also be submitted to the organization's membership.** The report must be filed on the reporting forms provided herein and must include an accounting of the organization's gross proceeds from its pickle card activity, a breakdown of receipts and expenses, lawful purpose usages of the pickle card profits, and a detailed analysis of all commissions allowed to pickle card operators and commissions or salaries paid to sales agents involved with the organization's lottery by the sale of pickle cards.

All parts of the quarterly report must be completed and filed with the Department within thirty (30) days after the end of each calendar quarter (July - September, October - December, January - March), even though pickle card activities may only have been conducted during part of the quarterly reporting period. An annual report for the period July 1 - June 30 must be completed and filed with the Department in lieu of a quarterly report for the period April - June.

The annual report must be filed with the Department by August 15, 2001. If the organization does not intend to renew its lottery by pickle card license, the annual report must still be filed by August 15, 2001. If the organization canceled its lottery by pickle card license during the reporting period, a report is still required covering the period from July 1, 2000 through the date the organization discontinued its lottery by pickle card license. **In addition, an annual report is required to be filed each year until all profits from the conduct of lottery by sale of pickle cards have been disbursed.** Instructions for completing each section of this report are printed on each form. **Failure to file a complete, true, and accurate report or not filing the report by the due date are violations of the Nebraska Lottery by Pickle Card Act and may jeopardize an organization's eligibility for license renewal and/or result in an administrative fine up to \$1,000.00.**

BEFORE FILING THE QUARTERLY REPORT, PLEASE PERFORM THE FOLLOWING PROCEDURES TO INSURE ACCURACY:

PICKLE CARD INVENTORY: Make sure that the beginning inventory is the same as the ending inventory from the previous quarter. If there is a discrepancy, please attach a written explanation.

RECONCILE GROSS PROFITS TO BANK DEPOSITS:

1. Add line 7 and line 13 of page 2 and subtract lines 12, 14, and 15 of page 2 to determine bank deposits from pickle card sales for the period.
2. Compare the amount found in step 1 above with the gross profits on line 5, page 1. If there is a significant discrepancy, it should be entered on line 6, page 1 as a deposit overage or shortage. Attach a written explanation for any significant discrepancy and enter the amount as an adjustment on line 6.

RECONCILE PICKLE CARD EXPENSES AND LAWFUL PURPOSE DONATIONS TO BANK DISBURSEMENTS:

1. Add line 18 of page 1 and lines 5, 15, and 16 of page 2 to determine the amount which was used for pickle card expenses, lawful purpose donations, and other expenditures.
2. Compare the amount found in step 1 above to line 10, page 2. If there is a significant discrepancy, review your records and correct the quarterly report.

COMPARE BANK BALANCES: Make sure that the beginning bank balance on line 6 of page 2 is the same as the ending bank balance shown on line 11, page 2, of the previous quarterly report.

If you have any questions or need further assistance, please contact Gene Weiner (Lincoln) at (402) 471-5953, Monte Dietrick (Lincoln) at (402) 471-5952, Pete Andersen (Lincoln) at (402) 471-5936, Paul Linnell (Omaha) at (402) 595-3059, or David Allen (Omaha) at (402) 595-3179, or toll free 1-877-564-1315.

Visit our Web site at: www.nol.org/revenue



Nebraska Lottery by Pickle Card Quarterly Report

FORM 35D Page 1

for the reporting period _____ through _____.

PLEASE DO NOT WRITE IN THIS SPACE

Organization's Name

Street or Other Mailing Address

City or Town

State

Zip Code

Nebraska Identification Number

35 —

Federal Identification Number

A. Are all the receipts from pickle card sales deposited directly into the pickle card bank account? YES NO
If No, identify bank account(s) and amount(s) _____

B. Were any expenses in lines 8 through 17 paid from the organization's general operating fund or another bank account? YES NO
If Yes, attach an itemized list of the expenses and the amounts.

C. Is lottery by the sale of pickle cards your organization's only gaming activity in Nebraska? YES NO
If No, indicate other gaming activities: _____

PICKLE CARD INCOME

1	Gross proceeds (Schedule II [page 3], column B, line 1)	1	\$	
2	Prizes paid (Schedule II [page 3], column C, line 1)	2		
3	Definite profit (line 1 minus line 2)	3		
4	Commissions of pickle card operators (Schedule II [page 3], column E, line 1)	4		
5	Gross profit (line 3 minus line 4)	5		
6	Adjustments (e.g., interest earned \$_____; dispensing device rental/sales \$_____; shortage [-] \$_____ or overage [+] \$_____) (see instr.) (attach itemized list, if necessary) ...	6		
7	Total income (line 5 minus line 6 or line 5 plus line 6)	7	\$	

PICKLE CARD EXPENSES (Do not include lawful purpose donations)

8	Cost of pickle card units purchased (total invoice cost paid to distributors)	8	\$	
9	Federal taxes and fees (including wagering/nonbusiness income, if applicable)	9		
10	Gross compensation of employees or officers for marketing pickle cards	10		
11	Gross compensation of sales agents (attach an itemized list of compensation by individual sales agent)	11		
12	Rent associated with the sale of pickle cards (see instructions)	12		
13	Purchase of pickle card equipment (see instructions)	13		
14	Repairs/maintenance for pickle card equipment (whether owned/leased)	14		
15	Compensation for services associated with the sale of pickle cards	15		
16	Pickle card license fees	16		
17	Other pickle card expenses (attach an itemized list of expenses and amounts). Do NOT include lawful purpose donations reported on Schedule I (page 2)	17		
18	Total pickle card expenses (total of lines 8 through 17)	18	\$	
19	NET PICKLE CARD PROFIT (line 7 minus line 18)	19	\$	

Under penalties of law, I declare that as an officer or utilization of funds member I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is complete, true, and accurate.

This report will be/was made available to the organization's membership on _____ Date _____.

sign here

Signature of Officer

Print Name of Officer

Signature of Preparer

Print Name of Preparer

Signature of Utilization of Funds Member

Title

Address

City/State

Zip Code

Date

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Daytime Telephone Number

Daytime Telephone Number

Daytime Telephone Number

INSTRUCTIONS

WHEN AND WHERE TO FILE. The quarterly report is to be filed with the Nebraska Department of Revenue within 30 days after the end of the following calendar quarters: July to September, October to December, and January to March.

REPORTING PERIOD. The quarterly report is to cover the organization's lottery by the sale of pickle card activities during the quarterly period. If the organization discontinued its lottery by pickle card activities during the reporting period, indicate on the top of the report the date of the last pickle card activity.

ACCOUNTING METHOD. The quarterly report is to be prepared based upon the organization's accounting basis: cash, accrual, or other.

SPECIFIC INSTRUCTIONS

LINE 1. Enter the gross proceeds derived from the conduct of a lottery by the sale of pickle cards. **Gross proceeds are defined as the total possible receipts from the sale of all pickle cards in any pickle card unit and from the sale of all punches in a punchboard.** Enter amount from Nebraska Schedule II (page 3), column B, line 1.

LINE 2. Enter amount of prizes paid from the conduct of a lottery by the sale of pickle cards. **Prizes paid is the total possible prize payout for each unit of pickle cards sold or for each punchboard sold.** Enter amount from Nebraska Schedule II (page 3), column C, line 1.

LINE 4. Enter commissions allowed to pickle card operators who sell individual pickle cards on behalf of the organization. Enter amount from Nebraska Schedule II (page 3), column E, line 1.

LINE 6. Enter the net amount of any adjustments to income which either increase or decrease the gross profit reported on line 5. **Increasing adjustments to income include any interest income earned attributable to any lottery by pickle card bank account, including savings accounts and certificates of deposit, rental income from pickle card dispensing devices, deposit overages, and any other income derived from the conduct of the lottery by the sale of pickle cards. Decreasing adjustments to income include deposit shortages or losses experienced in the conduct of the lottery by the sale of pickle cards (stolen pickle cards, fire loss, etc.).** Attach an itemized list to the report identifying the nature of each adjustment and the corresponding amount.

LINE 8. Enter total invoice cost of pickle card units purchased from distributors, **including** state pickle card tax.

LINE 9. Enter total amount paid for federal taxes and federal fees levied against pickle card income or activities.

LINE 10. Enter gross compensation paid to employees or officers for services performed which relate to the conduct of the lottery by the sale of pickle cards. **Wages paid to employees selling pickle cards at the organization's bingo occasions should be reported on the Nebraska Bingo Annual Reports, Form 35 or 35C (page 1), and must be paid out of the bingo checking account.**

LINE 11. Enter commissions or salaries paid to sales agents for the selling of pickle card units or punchboards to pickle card operators on behalf of the organization.

LINE 12. Enter amount paid for the lease or rental of any equipment, including pickle card dispensing devices utilized in conjunction with the conduct of the lottery by the sale of pickle cards.

LINE 13. Enter amount paid for the purchase of equipment, including pickle card dispensing devices, and supplies utilized in conjunction with the conduct of the lottery by the sale of pickle cards. Do **not** include any amounts which are reported on Nebraska Schedule I (page 2), Part A — Lawful Purpose Donations.

LINE 14. Enter amount paid for the repair and maintenance of equipment, whether owned or leased, including pickle card dispensing devices, utilized in conjunction with the conduct of the lottery by the sale of pickle cards. Do **not** include any amounts which are reported on Nebraska Schedule I (page 2), Part A — Lawful Purpose Donations.

LINE 15. Enter compensation paid to all individuals for services performed related to the conduct of a lottery by the sale of pickle cards. Such services include, but are not limited to, accounting, bookkeeping, secretarial, janitorial, security, and legal services which are NOT included in line 10.

LINE 17. Enter amount paid for all other expenses associated with the operation and conduct of a lottery by the sale of pickle cards not previously identified, including reimbursement of expenses paid to a sales agent. **Attach an itemized list to the report identifying the nature of each expense and the corresponding amount.**

AUTHORIZED SIGNATURES. The report must be signed by an officer of the organization or other individual authorized to sign by a Power of Attorney, Form 33CG, on file with the Nebraska Department of Revenue.

The organization's Utilization of Funds Member must sign in the space provided.

If a person other than the Utilization of Funds Member prepares the report, the preparer must sign in the space provided.



NEBRASKA SCHEDULE I — Lawful Purpose Donations and Bank Account Information

FORM 35D Page 2

Attach this page to Form 35D (page 1)

Organization's Name as Shown on Form 35D

Nebraska Identification Number

35 —

PART A — Lawful Purpose Donations (do not include pickle card expenses reported on page 1)

Attach additional sheets, if necessary

Table with 5 rows for lawful purpose donations. Columns include line number, description, and dollar amount.

PART B — Bank Account Information

Enter information from check register or bank statement for each account maintained for revenues from pickle cards. Attach additional sheets, if necessary.

Table for bank account information with columns for CHECKING and SAVINGS OR CD's. Rows include account number, name of financial institution, address, and city/state/zip code.

Include account activity for the period covered by this report

Main table for account activity with 16 rows. Columns include line number, description, and dollar amounts for beginning balance, deposits, interest, subtotal, disbursements, and ending balance.

INSTRUCTIONS

PART A LAWFUL PURPOSE DONATIONS

Complete Part A to report lawful purpose donations. Lawful purpose donations are uses of pickle card profits which are not expenses of conducting a lottery by the sale of pickle cards.

card bank account to a savings account or to the bingo bank account are not lawful purpose donations and must be reported in Part B, Bank Account Information.

Internal uses of pickle card profits which qualify as lawful purpose donations include disbursements for any charitable, benevolent, humane, religious, philanthropic, youth sports, educational, civic, or fraternal activity conducted by the organization for the benefit of its members. Purely social or recreational uses of pickle card profits are not permissible.

INSTRUCTIONS

PART A SALE OF PICKLE CARDS

Part A is to be utilized by the organization to account for all pickle card units (including punchboards) sold by the organization or sold to pickle card operators. This includes individual pickle cards and punchboard chances sold by the organization. The organization may supply this information in its own format, provided all of the information required by Part A is included.

PICKLE CARD OPERATOR OR ORGANIZATION NAME.

Enter the name of each pickle card operator who sold individual pickle cards and punchboard chances on behalf of the organization. The organization must also list itself if it sells individual pickle cards and punchboard chances at its designated premises, bingo occasions, or a special function.

COLUMN A. Enter the total number of pickle card units (including punchboards) sold to each pickle card operator and/or sold by the organization. **A pickle card unit is a series or a complete set of pickle cards, which consists of all winning and losing cards in a particular unit, set, series, deal, or scheme, and which also have the same serial number.**

COLUMN B. Enter the total gross proceeds from the sale of pickle card units (including punchboards) sold to each pickle card operator and/or sold by the organization. **The gross proceeds of pickle card unit or punchboard is the total possible receipts from the sale of all pickle cards in a pickle card unit or the total possible receipts from the sale of all punches in a punchboard.**

COLUMN C. Enter the total possible prize payouts from the pickle card units (including punchboards) indicated in column A (this information is identified on the prize payout slip supplied by the manufacturer).

COLUMN D. Enter the definite profit from the sale of pickle card units (including punchboards). Subtract column C from column B and enter the difference.

COLUMN E. Enter the total amount of commissions from sales invoices for each pickle card operator selling pickle card units (including punchboards) on behalf of the organization.

COLUMN F. Enter the total amounts received from each pickle card operator for the pickle card units (including punchboards).

PART B CALCULATION OF NUMBER OF PICKLE CARD UNITS SOLD, CORRESPONDING GROSS PROCEEDS, AND DEFINITE PROFIT

Part B is to be utilized by the organization to determine the number of pickle card units (including punchboards) sold during the reporting period and the corresponding gross proceeds and definite profit.

LINE 2, COLUMNS G, H, AND I. Enter the total number of units, gross proceeds, and definite profit of pickle card units (including punchboards) on hand as of the beginning date of the period covered by the report. **Pickle card units and punchboards still in play are considered inventory on hand.**

LINE 3, COLUMNS G, H, AND I. Enter the total number of units, gross proceeds, and definite profit of pickle card units (including punchboards) purchased by the organization during the period covered by the report.

LINE 5, COLUMNS G, H, AND I. Enter the total number of units, gross proceeds, and definite profit of pickle card units (including punchboards) on hand as of the end of the period covered by the report. **Pickle card units and punchboards still in play are considered inventory on hand.**

Attach a list or use the space provided below to list the ending inventory.

LINE 6. Subtract line 5 from line 4 in columns G, H, and I. These amounts must equal the amounts in line 1, columns A, B, and D, respectively.

INVENTORY LISTING AS OF _____ (ENDING DATE OF QUARTER REPORTING) (INCLUDE UNITS IN PLAY)					
Name of Pickle Card and Price (i.e., \$.10 \$.25, \$.50, \$1.00)	Form Number	Serial Number(s)	Number of Units	Gross Proceeds	Definite Profit
				\$	\$
Total (enter on line 5, columns G, H, and I)				\$	\$



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