

Schedule F – Lawful Gambling Fund Reconciliation

Check if amended

Organization name	Federal ID number (FEIN)	Minnesota tax ID number	License number	Month/year reported
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Checking Account

- 1** End-of-month checking account balance from bank statements *(include from all checking accounts)* **1** _____
- 2** Deposits in transit *(deposits made during the month that are not included on bank statement)* **2** _____
- 3** Add lines 1 and 2 **3** _____
- 4** Outstanding checks *(checks written during the month that are not included on bank statement)* **4** _____
- 5** End-of-month reconciled checking account balance *(subtract line 4 from line 3)* **5** _____

Additions

- 6** End-of-month cash balance in starting cash banks
(from this month's Form G1, line 23) **6** _____
- 7** Cash received but not deposited by month end from sales of games
reported on Form G1. Do not list amounts included on line 2 above **7** _____
- 8** Total in savings accounts and other non-checking accounts **8** _____
- 9** Fund losses reported on Form G1 that the Gambling Control Board has
not yet approved or denied or has not been reimbursed **9** _____
- 10** Unsold tickets refund from Form G7430 **10** _____
- 11** End-of-month value of merchandise prize inventory
(include prizes awarded for games still in play) **11** _____
- 12** Other additions *(provide explanation at the bottom of this page)* **12** _____
- 13** Total additions *(add lines 6 through 12)* **13** _____
- 14** Add lines 5 and 13 **14** _____

Subtractions

- 15** Tax and fee from current and prior month's Form G1, line 16, unpaid at month end **15** _____
- 16** Receipts deposited from raffles or games still in play that are not included on Form G1 **16** _____
- 17** End-of-month amount due for loans made to gambling fund **17** _____
- 18** Total unpaid invoices for merchandise prizes **18** _____
- 19** Other subtractions *(provide explanation at the bottom of this page)* **19** _____
- 20** Total subtractions *(add lines 15 through 19)* **20** _____
- 21** Reconciled gambling fund balance *(subtract line 20 from line 14)* **21** _____

Reconciliation

- 22** Gross profits for the month *(Form G1, line 8c)* **22** _____
- 23** Lawful purpose expenditures *(Form G1, line 19)* **23** _____
- 24** Total allowable expenses *(Form G1, line 22)* **24** _____
- 25** Total expenditures *(add lines 23 and 24)* **25** _____
- 26** Subtract line 25 from line 22 **26** _____
- 27** Profit carryover *(from prior month's Schedule F, line 29)* **27** _____
- 28** Approved adjustments *(requires state agency letter of approval)* **28** _____
- 29** Profit carryover for this month *(add lines 26 through 28)* **29** _____
- 30** Profit carryover variance *(subtract line 29 from 21; if lines 21 and 29 do not match, see instructions)* **30** _____

Explanations

Briefly explain other additions reported on line 12 and/or other subtractions reported on line 19: _____

Schedule F Instructions

Complete Schedule F, Lawful Gambling Fund Reconciliation, to determine if your bank balance reconciles with your profit carryover at month end.

Required Information

To complete Schedule F, you will need:

- bank statements from all gambling checking and savings accounts;
- check register; and
- merchandise prize inventory records.

Do not round cents to the nearest whole dollar. Reporting both dollars and cents will make it easier to identify and correct errors.

Instructions for January 2012 ONLY

To switch the cost of games to the cash basis of accounting, a one-time adjustment is required.

On the January 2012 Schedule F, line 28 (approved adjustments), enter as a negative number the ending inventory amount from your December 2011 Form G1, line 21. For example, if your ending inventory on December's Form G1, line 21, was \$500, enter negative \$500 on line 28 of the January Schedule F.

Line Instructions

Line 2 — Deposits in Transit

If a deposit is not on the bank statement after more than 10 days, check your deposit slips to make sure that the deposit was made.

Line 4 — Outstanding Checks

If you have checks that have been outstanding for more than two months, contact the payee to determine if the check was received and cashed.

Line 5 — Reconciled Checking Account Balance

Line 5 should equal the end-of-month balance in your check register. If not, double-check the amounts on lines 1-5 and the accuracy of your check register balance.

Line 8 — Other Gambling Accounts

Include the following on line 8:

- month-end balances from your gambling savings accounts;
- month-end value of any certificates of deposit purchased with gambling funds; and
- month-end balance of any other non-checking gambling account.

Note: All gambling funds must be maintained at a bank, savings and loan, or credit union located in Minnesota.

Line 10 — Unsold Tickets Refund

Enter as a positive number the amount from the **February** Form G7430, line 3.

If your unsold ticket refund exceeds your tax liability for February, enter the amount from Form G7430, line 6, on the **March** Schedule F, line 10, and each succeeding month until the refund check is deposited.

Note: If any portion of the refund is recaptured by the Minnesota Department of Revenue to pay an outstanding tax liability, continue to report the amount recaptured on line 10 until your organization has reimbursed its gambling account from a nongambling source for this amount.

Line 12 — Other Additions

This line is used to account for unique circumstances affecting the account balance. Contact your Gambling Control Board compliance specialist to ensure accuracy of any amounts reported on this line. In the space below line 30, briefly explain the other additions included on line 12.

Line 17 — Loans

Enter the total amount owed at month end for loans made to the organization's gambling fund for initial start-up costs, or emergency expenditures that, if not met, would require you to stop gambling. You must have written records documenting these loans.

Note: You must have written approval from the Gambling Control Board prior to repaying these loans.

Line 18 — Unpaid Merchandise Prizes

Enter the cost of merchandise prizes purchased and received during the month that had not yet been paid by month end.

Line 19 — Other Subtractions

Include cash prizes for a calendar raffle that have already been reported on Form G1, but have not yet been awarded at month end. This line is also used to account for unique circumstances affecting the account balance. Contact your Gambling Control Board compliance specialist to ensure accuracy of any amounts reported on this line. In the space below line 30, briefly explain the other subtractions included on line 19.

Line 28 — Approved Adjustments

Include the following amounts on line 28:

- any adjustment approved by the Gambling Control Board or the Department of Revenue during the month for which you are reporting. Keep the letter granting the approval in your records.
- any reimbursement from a manufacturer or distributor for defective games previously reported as a loss on Schedule B2. Keep in your records the barcode date and documentation listing the month and year the game was reported on Schedule B2.

Adjustments may be a negative amount.

Line 30 — Profit Carryover Variance

Subtract line 29 from line 21 and enter the result on line 30. The amounts on lines 21 and 29 should be the same, and line 30 should be zero. If they are not, check your return and schedules for errors, such as:

- math errors;
- incorrect reporting of inventory;
- numbers incorrectly transferred from other forms;
- games played but not reported;
- closed games not audited or audited incorrectly; and
- fund losses not reported or reported incorrectly.

If line 21 is more than line 29, check for:

- deposits or interest earned on all gambling accounts that were not reported as net receipts on Form G1;
- expenses reported on Form G1 that were not actually paid from the gambling account; and
- expenses reported twice, such as reporting the 8.5 percent tax on the Form G1, line 9, and on Schedule C.

If line 29 is more than line 21, check for:

- expenses or bank charges paid from the gambling account, but not reported on Form G1;
- net receipts reported twice;
- credits for overpayment of gambling taxes that have not been refunded or taken on a subsequent return;
- deposits in transit not accounted for on the gambling account reconciliation;
- incorrect reporting of merchandise prizes;
- payments from the gambling account that were not for gambling activities;
- a fund loss that has not been acted upon by the Gambling Control Board; and
- underreporting of combined receipts tax.

Compare the payments made for allowable expenses and lawful purpose expenditures with the amounts reported on Form G1.

Compare all bank deposits to the net receipts reported on Form G1 and the cash-in-hand amounts reported on Schedule B2.

Verify the amounts for any partial deposits made for games still in play at month end.

Make every effort to find errors before filing your Schedule F. The longer errors remain unresolved, the more difficult it becomes to find and correct them.

Questions?

Contact your compliance specialist at the Gambling Control Board for assistance.

Website: www.gcb.state.mn.us

Phone: 651-639-4000

(TTY: Call 711 for Minnesota Relay)