

DRAFT MINUTES

Charitable Gaming Board – Use of Proceeds Workgroup
Department of Agriculture and Consumer Services (VDACS)
Owen & Owens
Conference Room
15521 Midlothian Turnpike, Suite 300
Midlothian, VA
Friday, October 11, 2019

CALL TO ORDER

Mr. Samuel Kaufman called the meeting to order at 4:18 p.m.

Mr. Kaufman asked Mr. Michael Menefee to call the roll.

MEMBERS PRESENT:

Mr. Samuel Kaufman, Chair
The Honorable William Feasenmyer

MEMBERS ABSENT:

Ms. Amy Solares
Ms. Tanya Conrad
Mr. Charles Lessin, Ex Officio

VDACS STAFF PRESENT:

Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs

Mr. Menefee informed Mr. Kaufman that a quorum was not present.

MESSAGE FROM THE CHAIR

Mr. Kaufman welcomed members and the public to the meeting of the Use of Proceeds workgroup.

REPORT FROM BOARD MEMBERS

Mr. Kaufman asked whether a member had any report for the workgroup. With no remarks from any of the members, Mr. Kaufman moved onto new business.

NEW BUSINESS

Mr. Kaufman informed members that the purpose of this meeting was to discuss how the workgroup wishes to approach its evaluation of the current use of proceeds requirement. Mr. Kaufman reminded members that the purpose of the workgroup is to evaluate the current use of proceeds requirement and if it deems necessary, to make recommendations on changes to the requirement.

The use of proceeds requirement is the amount of money raised through a charitable organization's charitable gaming activities and used in support of the organization's charitable purpose. Currently, the Charitable Gaming Regulations sets the use of proceeds requirements at 10% of the gross receipts generated by an organization's charitable gaming activities.

Mr. Kaufman informed members that he wishes any future use of proceeds requirement to incentive licensed charitable gaming organizations to innovative and to manage its charitable gaming activities in a manner that it will maximize the amount of money it raises for its charitable purpose. The Honorable William Feasenmyer agreed that the workgroup should consider this option as a means to encourage organizations to stay competitive in a changing gaming marketplace as it continues to use charitable gaming as a form of fundraising.

Mr. Kaufman asked Mr. Menefee to compile financial data from annual financial reports for the past three to five years submitted by organizations. Mr. Kaufman further asked Mr. Menefee to compile the financial data in the following manner, if possible:

- Charitable gaming gross receipts based on a regional breakdown;
- Charitable gaming gross receipts based on the type of game and a regional breakdown;
- Charitable gaming gross receipts based on the type of license (i.e. exempt and non-exempt) and a regional breakdown;
- Charitable gaming gross receipts based on the type of game, the type of license, and a regional breakdown; and
- Charitable gaming gross receipts based on whether an organization leases/rents or owns its facility where it conducts its charitable gaming activities.

PUBLIC COMMENT

Mr. Kaufman reminded members that the workgroup will meet again on November 12, 2019, in Richmond immediately before the full Board meeting. Mr. Kaufman asked whether anyone from the public wishes to provide comment to the workgroup. Mr. Bob Jekanowski from Powerhouse Gaming, Inc. offered comment to the workgroup to consider the benefits of electronic pull-tabs when it is used as part of an organization's charitable gaming activities.

With no further comments from the public and there being no further business, the workgroup adjourned at 5:45 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs