

*****DRAFT - NOT FOR FILING*****

3770:1-5-10 Financial administration.

- (A) Disbursement from the state lottery gross revenue fund. The state lottery gross revenue fund **shall will** be in the custody of the treasurer of state for the use of the state lottery, and moneys **shall will** be disbursed from it on the order of the office of budget and management, pursuant to vouchers or invoices signed by the director or the director's designee. The monies in the state lottery gross revenue fund **shall will** be appropriated in the following order, and only for the following purposes:
- (1) Payment of prize awards to holders of winning lottery tickets, including prizes awarded in any statewide joint lottery games offered by the commission, provided the total prize disbursements at the end of the fiscal year be of an amount equal to or greater than fifty per cent of lottery tickets sales;
 - (2) Payment of expenses incurred by the state lottery in the operation and promotion of the state lottery, including but not limited to, costs arising from contracts entered into by the director for promotional, consulting or operational services, salaries of professional, technical, and clerical assistants, and purchases or lease of lottery equipment and materials, and any expenses incurred from the operation of any statewide joint lottery games; and
 - (3) Transfer into the lottery profits education fund of all net revenues remaining in the state lottery fund, after the payments specified in paragraphs (A)(1) and (A)(2) of this rule.
- (B) Other disbursements. Subject to any applicable provisions of law, vouchers authorizing disbursements from any funds in the custody of the treasurer of state for use by the state lottery **shall will** only be made upon the director's own express written authorization. The director may designate individuals with authority to act as the director's signator when the director is unavailable to provide such express written authorization.
- (C) Director to adopt internal management rules. The director **shall will** adopt internal management rules providing detailed financial procedures and controls. These **shall will** include, without limitation, the manner in which expenses may be incurred and the manner in which all financial transactions are to be effected and recorded.
- (D) Audits. The auditor of state **shall will** conduct annual audits of all funds and such other audits as the auditor of state or general assembly considers necessary. In addition, the director, or the director's designee, including another state agency, may provide for and conduct such audits or examinations of the operations of the state lottery, sales representatives, and lottery sales agents as deemed necessary. The director and the auditor of state may examine all records, files, and other documents of the commission, and such records of agents and sales representatives as pertain to their state lottery activities, for purposes of conducting authorized audits or examinations.