



**OPERATING STANDARDS  
FINANCIAL PROCESSING  
EFFECTIVE DATE: JANUARY 1, 2023**

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**OVERVIEW**

The relationship between the Ohio Lottery Commission (OLC) and a Video Lottery Sales Agent (VLSA) is one of trust. A video lottery sales agent collects funds on behalf of the OLC through lottery sales from which a video lottery sales agent receives a commission.

**REFERENCE DOCUMENTS**

Ohio Administrative Code [3770:2-6](#), [3770:2-7-02](#)  
Ohio Revised Code [3770.071](#), [.072](#), & [.073](#)  
Ohio Revised Code [3770.21](#)  
Ohio Revised Code [5747.064](#)  
Video Lottery Sales Agent Terms and Conditions  
Intralot Ohio VLT VLSA Procedures Version 2.0 updated 11/08/21

**STANDARDS**

**Business Day** - The video lottery business day runs as communicated to the VLSA with wager processing capability 24 hours a day. The traditional Lottery business day corresponds to a calendar day and sales of those products including Keno will be processed under the existing VLSA processes.

**Business Week** - The video lottery business week runs from Sunday to Sunday as communicated to the VLSA with wager processing capability 24 hours a day.

**Settlement Date** - At the end of each week, the Lottery Commission will reconcile activity for the previous week and create an invoice identifying the commission amount due to the VLSA. The OLC will generate an invoice report and submit to the VLSA each week for processing.

**Problem Gambling Services** - In accordance with ORC Section 3769.087 (C), the OLC will invoice an additional one-half of one percent of each VLSA commission. The purpose is to provide funding support for programs for gambling addiction and other related addiction services.

**Payment** - The VLSA is required to make weekly deposits of game proceeds into their designated lottery account. This account is electronically debited or credited on a weekly basis.

**Minimum Bankroll** - A facility operator shall at all times maintain in its cashier's cage or in a bank, (subject to OLC approval) a reserve cash bankroll sufficient to pay all winning wagers. The VLSA shall propose a minimum level and shall describe the methodology for calculating and adjusting the minimum.



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**Video Lottery Prize Payment** - The VLSA is required to follow section 6041 of the Internal Revenue Code for W-2G reporting guidelines with respect to video lottery prize payments.

Pursuant to Ohio Revised Code (ORC) [3770.072](#) and [5747.064](#), prize awards of one thousand two hundred dollars or more from Video Lottery Terminals (VLT) are subject to State of Ohio tax withholding and may be subject to municipal tax withholding depending upon the jurisdiction of the facility location. A lottery sales agent shall deduct and withhold Ohio income tax from the person's prize award at a rate of four percent of the amount won. The lottery sales agent shall complete the applicable fields on the W2-G for the Ohio tax withholding.

Pursuant to ORC [3770.071](#) and [3770.073](#), the VLSA is required to intercept (withhold) prize payments for amounts owed to both the child support enforcement agency and the State of Ohio. The debt to the child support enforcement agency supersedes the State of Ohio debt. The VLSA will be required to make weekly deposits, of the withholdings into their designated lottery account. This electronic fund transfer will take place each week. The lottery will remit the withholdings and related data to the appropriate agency. The prize intercept procedures will be agreed to by the OLC and the VLSA.

**Promotional Credits** - A VLSA may offer promotional credits, also known as restricted promotional credits as approved by the Director. Restricted promotional credits must be played and cannot be cashed. Credits won from restricted promotional credits are permitted to be cashed. Promotional credits used during the billing cycle will be subtracted from the invoice totals so that restricted promotional credits are not included in the invoice calculation.

The VLSA shall present an annual promotional credit plan which shall propose the quantity of restricted promotional credits to be awarded and shall describe the allocation of credits among programs (e.g. direct mail, player loyalty).

The VLSA must provide, thirty days in advance, the rules and regulations of all promotions. Also the VLSA must provide a monthly report depicting the results each of their promotional play offers.

**Ticket In Ticket Out (TITO)** - A VLSA must provide to the OLC, for review and approval, a sample of the TITO ticket layout, design and disclaimer language including language regarding expiration and responsible gambling. The submission must permit the OLC to edit and approve prior to printing.

The OLC prohibits VLSA employees from accepting TITO vouchers as tips.

Patrons may choose to donate TITO vouchers to VLSA selected charities. A VLSA shall submit a TITO voucher donation program plan to the OLC for approval prior to implementing a TITO voucher donation program. Additionally, the VLSA must submit a monthly report to the OLC of TITO voucher donations collected and include the specific disbursement amounts donated to each charity.



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**Unclaimed Credit Vouchers** - An unclaimed credit voucher is treated as an expired voucher on the 181st day following issuance. All funds from expired vouchers are due to the OLC the following business week. The funds from expired vouchers will not be included in the calculation of VLT income. There will be an adjustment created by the OLC as a separate item on the invoice as part of the VLT income.

**Uncollected Jackpots** - Any jackpot where a player has not provided adequate identification to the VLSA within 180 days is deemed uncollected. The VLSA shall provide the OLC, for approval, a policy describing their reasonable attempts to contact the player prior to the 181<sup>st</sup> day. The policy shall also describe the disposition of the uncollected funds. The VLSA may choose to honor the jackpot after 180 days at their discretion. All uncollected jackpots must be documented on a jackpot exception log.

**Abandoned Credits** - The VLSA must cash-out any abandoned credits on a VLT by creating a TITO voucher. The VLSA shall make reasonable efforts to identify and return the TITO voucher to the original owner. In the event the owner cannot be identified, or the owner does not retrieve the TITO voucher within 180 days, the VLSA must adhere to the Unclaimed Credit Voucher operating standard.

In the event a TITO voucher cannot be generated, the funds from abandoned handpays above \$20.00 shall be treated according to the Unclaimed Credit Vouchers operating standard. Abandoned handpays \$20.00 or less will be treated per the VLSA's Found Money policy.

**Abandoned Promotional Credits** - Abandoned promotional credits must be played off and the VLSA must cash-out any remaining cashable credits on a VLT by creating a TITO voucher, which shall become an unclaimed credit voucher. Any unplayable promotional credits, which are promotional credits less the minimum bet allowed by the VLT, can remain on the VLT and be available to the next patron. In the event a jackpot prize is won while abandoned promotional credits are played off, the VLSA must void the jackpot. The VLSA must notify Ohio Lottery regulators immediately at [VLT@lottery.ohio.gov](mailto:VLT@lottery.ohio.gov) of the details of the voided jackpot. There will be a financial adjustment created by the OLC as a separate item on the invoice as part of the VLT income.

**Voluntarily Excluded Patron Play** - The VLSA shall remit to the OLC the amount of any jackpots, VLT credits and/or vouchers in the possession of an Ohio Voluntary Excluded Patron (VEP) or VLSA VEP. Surrendered vouchers are to be redeemed and paid into the VLSA cage prior to remitting the funds to the OLC. The VLSA must document all VEP jackpots on a jackpot exception log and notify the OLC immediately at [VLT@lottery.ohio.gov](mailto:VLT@lottery.ohio.gov) of the total amount of funds surrendered from the VEP. The OLC will process an EFT for the total amount of funds to be remitted.

**Property Excluded Patron Play** - A VLSA must establish and submit for approval to the OLC, a property excluded patron play policy. If applicable, the policy shall include a procedure for collecting and retaining any surrendered funds from a property excluded patron. Surrendered funds are not to be remitted to the OLC.



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**Underage Jackpot** – The VLSA is required to “void” any jackpots won by an underage patron. In addition, the VLSA must cash-out any remaining credits on the VLT by creating a TITO voucher and/or confiscate any TITO vouchers in the underage patron’s possession. Vouchers shall be left to expire. The VLSA must document the underage jackpot on a jackpot exception log and notify Ohio Lottery regulators immediately at [VLT@lottery.ohio.gov](mailto:VLT@lottery.ohio.gov) of the details of the underage patron jackpot. There will be a financial adjustment created by the OLC as a separate item on the invoice as part of the VLT income.

**Customer Credit** - A VLSA may extend credit to a player for the purpose of playing VLTs. The VLSA shall submit customer credit policies, procedures and internal controls to be approved by the OLC.

**Cashless Gaming** - A VLSA may offer cashless gaming options which allow players to participate in wagering activities using an approved, securely protected authentication method which accesses 1) A player account at the cashless system of the operator; or 2) An account of the player provided that it allows for the identification of the player and the source of funds that is linked in a secure manner to the cashless system of the operator and the player’s cashless account. The VLSA shall submit cashless gaming policies, procedures, and internal controls to be approved by the OLC.

**Player Check Cashing** - The VLSA is permitted to cash traveler’s checks, bank cashier’s checks, money orders and personal checks drawn on the player’s personal account made payable to the VLSA or the player only. Qualifying checks are also permitted to be cashed via an OLC approved self-service terminal. No restrictions as to the amount cashed. No fee restrictions for cashing. The VLSA shall describe the check verification services and proposed fees.

**Automatic Teller Machine (ATM)** - A VLSA may place an ATM in the gaming area. The ATM can allow access to a player’s credit/bank accounts via credit, debit, or ATM card. The VLSA shall describe controls in place to deter fraud or abuse.

**Progressive Transfers** - If a VLT containing a progressive feature is removed from service, the VLSA must document the locations (from/to) of the patron-funded incremental transfer. Transfers must only occur between equal denominations and be completed within thirty days. The documentation must be retained for a period of one year and available upon customer request.

**Progressive Configuration** – Any unapproved modification to the incrementation of progressive machines resulting in undue payouts may be subject to recovery of lost OLC income.

**Purchasing** – Pursuant to Ohio Revised Code [3770.21](#) the VLSA shall present for approval a Minority Business Enterprise (MBE) and Encouraging Diversity, Growth, and Equity (EDGE) plan.



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**Daily Meter Files** – The VLSA is required to provide a daily meter file. The requirements are set forth in the Intralot Ohio VLSA Procedures document.

## **COMPLIANCE**

The VLSA shall submit Financial Procedures to the OLC for review and approval. The procedures shall address each of the categories identified above and any additional information deemed pertinent by the VLSA.

## **REPORTING REQUIREMENTS**

The following reports shall be submitted to the OLC weekly:

- **Expired Voucher Detail Report** – A list of vouchers that expired during the previous week.
- **Jackpot Exception Log** – A list of jackpots that do not get paid out through the typical jackpot process (e.g., unclaimed, no ID, etc.). Include no ID jackpots that are claimed.

The following reports shall be submitted to the OLC monthly:

- **Minimum Bankroll** – A report detailing the minimum bankroll calculation and the current bankroll amounts.
- **Voucher Liability Report** – Also known as an aging report. The report shall display the current outstanding voucher liability amounts for various age ranges (e.g., 0 to 30 days, 31 to 60 days, 61 to 90 days, 91 to 120 days, and 121 days to 180 days).
- **TITO Charitable Donation Report** – A report that details the value and total amount of TITO vouchers donated to a VLSA selected charity. Transfer verification information shall be included in the report following each periodic transfer of funds from the VLSA to the designated charity (e.g., monthly, quarterly, annually).

## **CONTACT**

Questions regarding the OLC VLT program may be directed to:

[vlt@lottery.ohio.gov](mailto:vlt@lottery.ohio.gov)