STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

BOARD MEMBER FUNDAMENTALS OF CHARITABLE GAMING

UNDERSTANDING YOUR ROLE, RESPONSIBILITIES & OVERSIGHT

Why Does the Board Need Training?

- The Board is responsible for overseeing the whole gaming operation
- Needs to ensure that the organization has proper internal controls in place

Questions the Board Should Ask:

What are we responsible for? Who does what within our organization?

What controls do we need? What should we be reviewing?



North Dakota Games of Chance

Century Code (N.D.C.C.)

Chapter 53-06.1 of the North Dakota Century Code (N.D.C.C.) Effective August 1, 2025

Statutory law enacted by the Legislature.

Administrative Rules (N.D. Admin. Rules)

Article 99-01.3 of the North Dakota Administrative Code Effective July 1, 2026

Rules that implement and supplement Century Code.

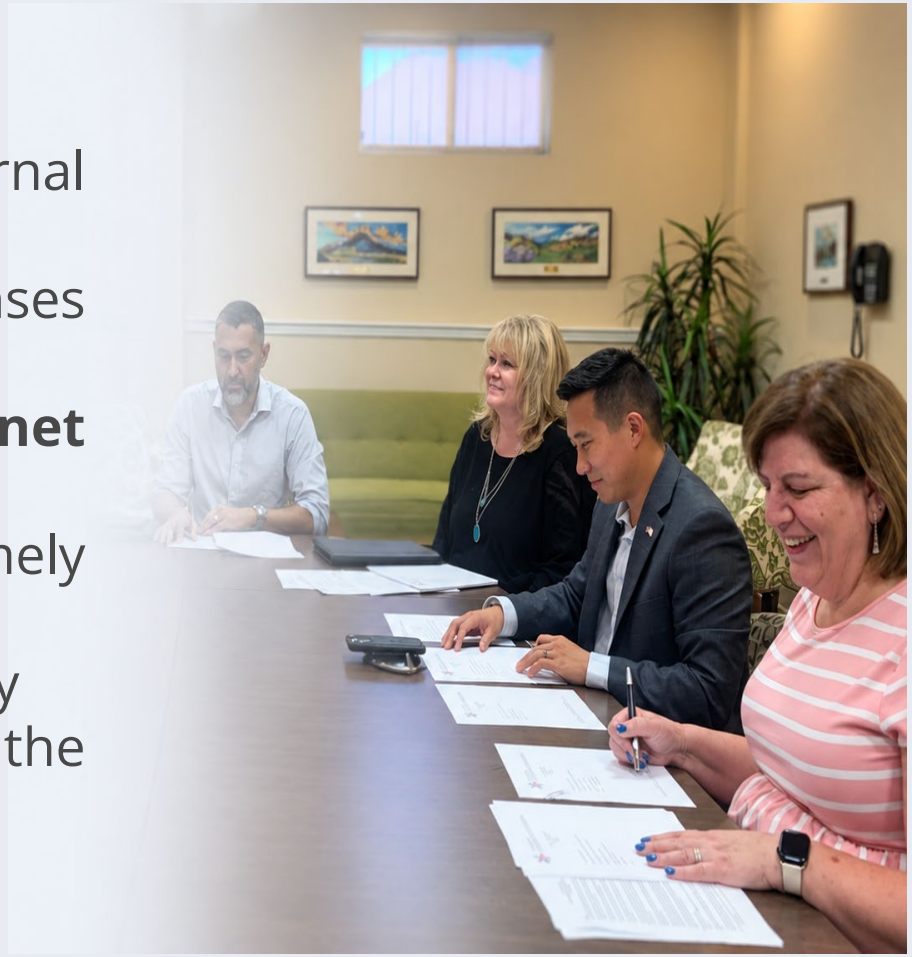
The Century Code and Administrative Rules assign specific duties directly to the Board, while also establishing broader organizational and oversight responsibilities.

Board Responsibility & Accountability

WHAT ARE WE RESPONSIBLE FOR?

Oversight:

- Maintain eligibility, licensing, and site authorizations
- Maintain accurate financial records, adequate internal controls and approved personnel
- Ensure gaming funds are accounted for and expenses remain within limits
- **Oversee the proper determination and lawful use of net proceeds**
- Ensure required gaming taxes are accurately and timely paid
- Maintain sufficient records to substantiate gaming activity
- Understand that Board member actions can affect the organization's license



Key Rules: N.D.C.C. § 53-06.1

Board Responsibility & Accountability

WHAT ARE WE RESPONSIBLE FOR? (CONTINUED)

Direct Board Responsibility:

"The governing board of an eligible organization is primarily responsible and may be held accountable for the proper determination and use of net proceeds."
N.D.C.C. § 53-06.1-06(3)



Understanding Your Org's Gaming Operation

WHAT ARE WE RESPONSIBLE FOR? (CONTINUED)

Board of Director Top Official Responsibility:

"An organization's top official shall provide to the governing board…**each quarter information** on an organization's adjusted gross proceeds; cash profit; cash long or short; net proceeds; excess expenses; reimbursement of excess expenses; and, for a fraternal, veterans, or civic and service organization, a list of eligible uses**. If an administrative complaint is issued** to an organization, **the top official shall disclose the allegation** in writing to the board within seven days…. If an allegation is substantiated, the top official shall disclose to the board in writing the allegation and sanction imposed within ninety days…**The organization shall disclose to the membership** how they may obtain information on the quarterly gaming activity and any information regarding the final disposition of a complaint. **This information** and how it was provided to the governing board and membership **must be included in an organization's records**." N.D. Admin Code § 99-01.3-02-03(4).

Document the information provided to the Board in the Board meeting minutes.

Gaming Roles & Responsibilities

WHO DOES WHAT WITHIN OUR ORGANIZATION?

Board oversight, management, conduct of games, and independent auditing are different functions. There needs to be a separation of duties between these roles:

- **Governing Board/Top Official:** Ultimate oversight and accountability for the gaming operation, including ensuring compliance with gaming laws, rules, and organizational policies.
- **Gaming Manager:** Overall management and control of day-to-day gaming operations, including implementing Board-approved policies and internal controls, and reporting directly to the Governing Board.
- **Independent Auditor:** Provides an independent internal review of all gaming paperwork, accounting records, and financial activity to verify accuracy, identify discrepancies, and ensure proper recordkeeping and compliance. No signatory/banking authority within gaming. Should report directly to the Governing Board

Appointing a Gaming Manager **does not transfer** the Board's statutory responsibility to that person

Internal Controls & Separation of Duties

WHAT CONTROLS DO WE NEED?

> "A governing board of the organization shall establish a written system of internal control, comprised of accounting and administrative controls. An organization may not permit any unauthorized person as determined by the governing board from reviewing this system. If the attorney general determines that a system of internal control is inadequate, an organization shall address the inadequacy" N.D. Admin. Code § 99-01.3-03-01(2)

- **Game Procedures:** Explains how each game type is conducted
- **Recordkeeping:** Identifies required records/forms, who completes them, and how they are maintained
- **Accounting:** Explains how gaming activity, cash, deposits, expenses, and other transactions are recorded
- **Protection of Assets:** Establishes procedures for protecting cash, games, devices, records, and other assets
- **Position Descriptions & Responsibilities:** Clearly identifies who is responsible for each step
- **Keep It Current:** Update the manual when games, procedures, technology, or personnel change

Internal Controls & Separation of Duties

WHAT CONTROLS DO WE NEED

- **Authorization:** Transactions occur only as authorized
- **Accurate Records:** Gaming activity is properly recorded
- **Access:** Cash, games, and other assets are accessible only to authorized individuals
- **Reconciliation:** Records are compared to actual assets and differences are resolved
- **Separation of Duties:** Employee responsibilities are clearly defined and appropriately divided
- **Record Retention:** Required purchase invoices, receipts, accounting and bank records, and eligible-use documentation are retained for 3 years
- **Correct Deficiencies:** Any inadequate internal controls must be addressed

Internal Control Manual:
WHO does it • WHAT they do • HOW they do it • WHAT RECORD documents it • WHO verifies it

Key Rules: N.D. Admin. Code § 99-01.3-03-01 and applicable record-retention requirements

Financial Controls & Board Oversight

WHAT CONTROLS DO WE NEED?

- **Independent Audit:** Closed games and daily activity are independently reviewed
- **Deposit Verification:** Someone without access to the cash verifies deposits against the bank statement
- **Inventory & Cash Bank Reconciliations:** Gaming inventory and cash banks are periodically counted and compared to records
- **Irregularities:** Differences and unusual activity are identified, documented, reported, and addressed

The Board does not need to perform every accounting function — but it needs to ensure the controls, independent verification, and reporting processes are actually working.

Key Rules: N.D. Admin. Code § 99-01.3-03

Board Meetings & Gaming Oversight

WHAT SHOULD WE BE REVIEWING?

- **Quarterly Gaming Report:** Review required financial information provided to the Board, including the Tax Return (*will cover an overview of what to look for on next few slides*) – Accessible on the Portal
- **Internal Controls:** Discuss whether the written system of internal controls is working and whether changes are needed
- **Eligible Uses:** Discussion on uses of net proceeds
- **Gaming Expenses:** Review significant expenses, excess expenses, shortages, or other financial concerns
- **Irregularities:** Discuss audit findings, cash differences, compliance concerns, and corrective action
- **Personnel & Operations:** Review significant changes affecting gaming operations, responsibilities, or controls

GOOD BOARD GOVERNANCE: Board minutes should also demonstrate meaningful oversight through discussion of gaming expenses, eligible uses, significant personnel/operational changes, and how the organization is fulfilling its charitable purpose. Gaming should be part of the Board's work—not the purpose of the Board's work.

Key Law/Rules: N.D.C.C. 53-06.1-06(3), N.D. Admin. Code § 99-01.3-03

Board Meetings & Gaming Oversight

WHAT SHOULD WE BE REVIEWING: QUARTERLY TAX RETURN

NORTH DAKOTA GAMING TAX RETURN
OFFICE OF ATTORNEY GENERAL
SFN 9809 (8-2020)

License No. G-1178
Organization Name: ND Charity
Mailing Address: PO BOX 123 BISMARCK, ND 58505-0040

Quarter Ended - 6/30/2026

PART I - GAMING ACTIVITY	A Gross Proceeds	B Prizes	C Adj. Gross Proceeds	D Cash Profit
1a. Bingo				
1b. Bingo - Electronic Quick Shot				
2a. Raffles				
2b. Raffles - Boards				
2c. Raffles - Electronic 50/50 Systems				
3a. Pull Tabs - Jar Bar				
3b. Pull Tabs - Dispensing Device	11,300.00	8,040.00	3,260.00	3,295.00
3c. Pull Tabs - Electronic Devices	96,873.50	82,312.25	14,561.25	14,561.25
3d. Club Specials, Tip, Seal, and Punch Boards				
4a. Prize Boards				
4b. Prize Boards - Dispensing Device				
5. Sports Pools				
6. Twenty-One				
7. Calcuttas				
8a. Paddlewheels				
8b. Paddlewheels - With a Table				
9. Poker				
10. Other (Interest 40.66 Cash Long 35.00 Other)	75.66		75.66	40.66
11. Subtotal	108,249.16	90,352.25	17,896.91	17,896.91
12. Gaming Tax – See instructions			178.97	Remit to: Office of Attorney General
13. Federal Excise Tax from Federal Form 730 - Attach Copies			270.52	
14. TOTAL ADJUSTED GROSS PROCEEDS (Line 11, column C, less lines 12, and 13)			17,447.42	

When looking at Part I - Gaming Activity

Line 10 – Other

Is there a significant or unusual amount reported? If so, ask what caused it.

Line 11 – Subtotal

Look at the Adj. Gross Proceeds and Cash Profit. Do those numbers match? Are there large discrepancies with cash long or short? Ask questions.

Board Meetings & Gaming Oversight

WHAT SHOULD WE BE REVIEWING: QUARTERLY TAX RETURN

PART II - ALLOWABLE EXPENSES AND NET PROCEEDS	
15. Allowable Expense - 60% of Adjusted Gross Proceeds (Line 14)	10,468.45
16. Net Proceeds - Line 14 less line15	6,978.97
17. Net Proceeds Prior Quarter Carry-Over line 20 on last quarters return	254.16
18. Adjustment - Attach Explanation	
19. Amount transferred to trust account this quarter	
20. Net Proceeds Carry-Over - Line 16 plus line 17 plus or less line 18, less line 19	7,233.13
21. Gaming Account **Check Register(s)** Balance	68,965.00

When looking at Part II – ALLOWABLE EXPENSES AND NET PROCEEDS

Line 21 – Gaming Account Check Register Balance

Is there enough in this account to transfer the amount indicated on Line 20 Net Proceeds Carry-Over (line above) to the Trust Account?

If the amount on Line 21 is LESS than the amount on Line 20, we have an **IMBALANCE**

Board Meetings & Gaming Oversight

WHAT SHOULD WE BE REVIEWING: QUARTERLY TAX RETURN

PART III - TRUST ACCOUNT	
22. Trust Carry-Over Prior Quarter Carry-Over line 26 on last quarters return	78,889.69
23. Amount transferred to trust account this quarter Amount from line 19	
24. Adjustment - Attach Explanation Interest 38.96 Service Fees Other +/-	38.96
25. Eligible Use Contributions this quarter Total from Schedule C	75,000.00
26. Trust Account Carry-Over - Line 22 plus line 23 plus or less 24, less line 25	3,928.65
27. Trust Account **Check Register(s)** Balance	3,928.65
28. Total Actual Expenses for all sites	5,300.00

When looking at Part III – TRUST ACCOUNT

Line 26 & Line 27 – Do these numbers reconcile?

If Line 27 does not account for the amount reported on Line 26, the difference must be explained and reconciled. Ask questions and document the resolution.

Board Meetings & Gaming Oversight

WHAT SHOULD WE BE REVIEWING: QUARTERLY TAX RETURN

When looking at Part II and III – ALLOWABLE EXPENSES AND NET PROCEEDS AND TRUST ACCOUNT

PART II - ALLOWABLE EXPENSES AND NET PROCEEDS		PART III - TRUST ACCOUNT	
15. Allowable Expense - 60% of Adjusted Gross Proceeds (Line 14)	10,468.45	22. Trust Carry-Over Prior Quarter Carry-Over line 26 on last quarters return	78,889.69
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20. Net Proceeds Carry-Over - Line 16 plus line 17 plus or less line 18, less line 19	7,233.13	27. Trust Account **Check Register(s)** Balance	3,928.65
21. Gaming Account **Check Register(s)** Balance	68,965.00	28. Total Actual Expenses for all sites	5,300.00

Line 15 and Line 28 – Compare Allowable Expense with Total Actual Expenses for all sites.

If Line 28 is **GREATER** than Line 15, more expenses were made than allowed based on the organization's Adjusted Gross Proceeds. This needs to be addressed. Ask questions.

Board Meetings & Gaming Oversight

WHAT SHOULD WE BE REVIEWING: QUARTERLY TAX RETURN

When looking at SCHEDULE A – SITE EXPENSES

Review Gaming Expenses at top next to Line 11. Subtotal

Are the Adjusted Gross Proceeds covering the Gaming Expenses? If they are not, ask questions. Is this a viable site? Is something happening we need to look at closer?

SCHEDULE A - COMPLETE IF MORE THAN ONE SITE	Organization License No. G-1178	Quarter Ended 6/60/2026		Page 1 of 1
Site Name: Ordinary Bar Site No. (999)A	Gaming Expenses 5,300.00	A Gross Proceeds	B Prizes	C Adj. Gross Proceeds	D Cash Profit
1a. Bingo					
1b. Bingo - Electronic Quick Shot					
2a. Raffles					
2b. Raffles - Boards					
2c. Raffles - Electronic 50/50 Systems					
3a. Pull Tabs - Jar Bar					
3b. Pull Tabs - Dispensing Device		11,300.00	8,040.00	3,260.00	3,295.00
3c. Pull Tabs - Electronic Devices		96,873.50	82,312.25	14,561.25	14,561.25
3d. Club Specials, Tip, Seal, and Punch Boards					
4a. Prize Boards					
4b. Prize Boards - Dispensing Device					
5. Sports Pools					
6. Twenty-One					
7. Calcuttas					
8a. Paddlewheels					
8b. Paddlewheels - With a Table					
9. Poker					
10. Other (Interest 40.66 Cash Long 35.00 Other)		75.66		75.66	40.66
11. Subtotal		108,249.16	90,352.25	17,896.91	17,896.91

Board Meetings & Gaming Oversight

WHAT SHOULD WE BE REVIEWING: QUARTERLY TAX RETURN

When looking at SCHEDULE C – ELIGIBLE USE CONTRIBUTIONS

SCHEDULE C - ELIGIBLE USE CONTRIBUTIONS
OFFICE OF ATTORNEY GENERAL
GAMING DIVISION
SFN 9808 (8-16)

Note: Read instructions before completing this form.

License No.	Page 1 of 1
G-XXXX	
Quarter Ended 9/30/2026	

	CHECK NUMBER	DATE	RECIPIENT	DESCRIPTION OF ELIGIBLE USE	CHECK AMOUNT	ELIGIBLE USE CODE
1	116	7/1/26	SAM'S CLUB	SUPPLIES FOR STAFF	342.68	A-37
2	117	7/3/26	MIDWEST SOFTWARE	CONSULTING SERVICES	13,032.00	A-37
3	118	7/8/26	PETRO SERVE USA	TRANSPORTATION EXPENSES	50.36	A-37
4	119	7/10/26	LOCAL SCHOOL DISTRICT	MEAL SUPPORT PROGRAM	5000.00	A-37
5	120	7/15/26	OUR CHARITY	PAYROLL	32,000.00	A-37
6	121	7/16/26	AIRBNB	TRAVEL EXPENSES	845.50	A-37
7	122	7/18/26	LOCAL BAR	YOUTH VOLLEYBALL UNIFORMS	1,200.00	A-37
8	123	7/20/26	PROMO PRODUCTS, INC	CLOTHING FOR TOURNAMENT	19,500.00	A-37
9	124	7/30/26	JOSHUA LUHM	SUPPLIES	5000.00	A-37

Review the Recipient + Description + Eligible Use Code

Do all three make sense together? Does the recipient qualify? Does the stated use actually fit the code? If not, ask questions.

Board Member Takeaways

YOUR ROLE IN EFFECTIVE GAMING OVERSIGHT

- Know who is responsible for each part of the gaming operation
- Know where the money goes and how gaming funds are being used
- Establish strong internal controls and separation of duties
- Ensure required audit of activity is completed
- Receive, review, and question quarterly gaming information
- Understand and oversee eligible uses of net proceeds
- Ask questions when something doesn't look or sound right
- Document your oversight through Board minutes



Good governance means being informed, asking questions, and documenting the Board's oversight.



THANK YOU

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attorneygeneral.nd.gov

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agogaming@nd.gov

Phone
701-328-4848



MASTER THE ART OF EFFECTIVE BOARD MEETINGS
Robert's Rules of Order

North Dakota Gaming Conference

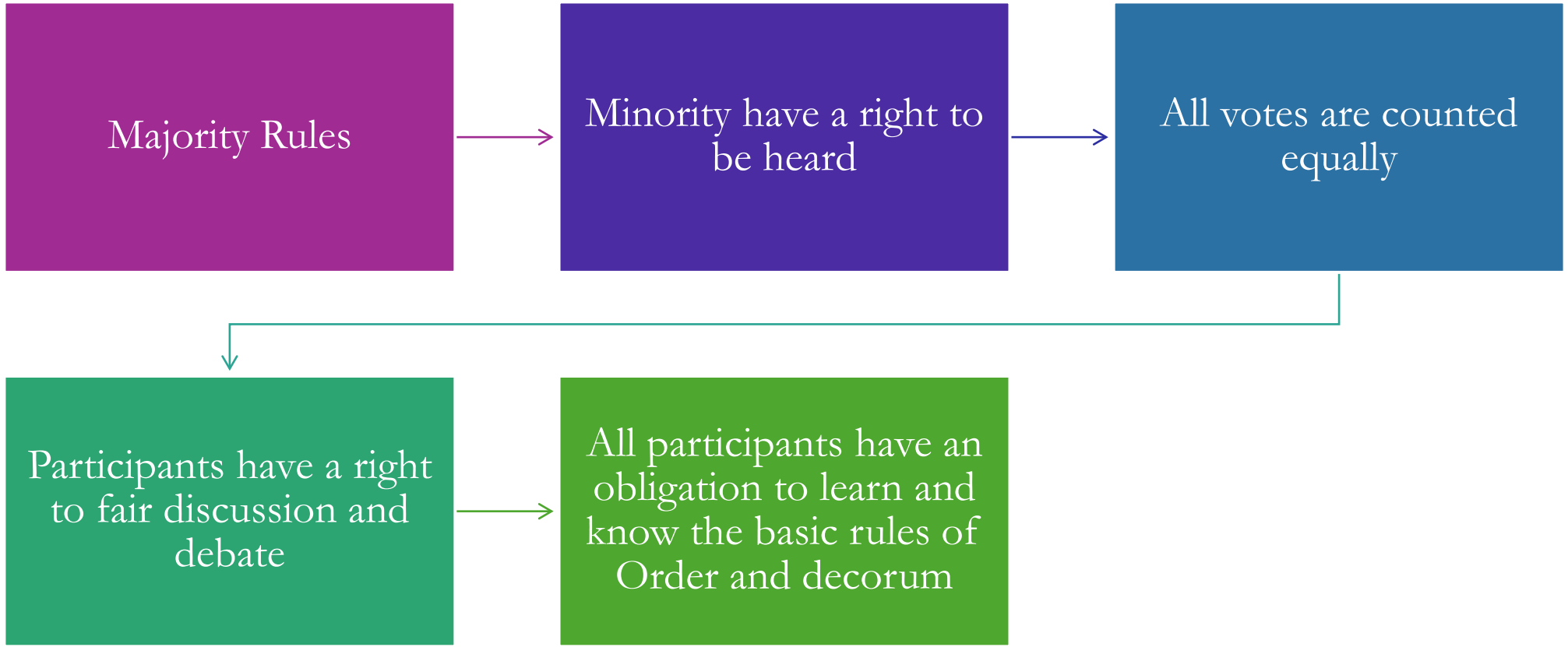
October 27-28, 2026

Henry M. Robert

- **Henry Martyn Robert**, was a U.S. Army officer and engineer who served from 1857-1901, retiring with the rank of Brigadier General.
- **Motivation:** He noted a lack of uniform procedure at meetings, often resulting in chaos and ineffective outcomes.
- **Creation:** He adapted the rules and practices of the U.S. Congress for non-legislative bodies.
- **Publication:** His first edition, Robert's Rules of Order, was published in 1876, and he authored 4 revisions until his death in 1923.



Guiding Principles of Robert's Rules



TERMINOLOGY

- **Chairman** (Chairwoman, Chair, President):
  - Controls meeting
  - Sets Agenda
  - Officiates all debate and procedural issues
  - Needs to be treat all participants fairly
- **By-Laws:**
  - Written rules adopted by organization
  - Often establish meeting process and Notice requirements (317A.435)
- **Quorum:**
  - Minimum number of members needed to transact business; may not be less than 1/3
  - Should be stated in by-laws (317A.181)
- **Motion:**
  - A formal proposal for action at a meeting

TIPS FOR AN EFFECTIVE MEETING #1

- **HAVE AN AGENDA**
  - Set the **GOALS** for the meeting
  - Structure the Agenda to advance the **GOALS**
  - Chair should prepare or approve prior to meeting
  - Provide the Agenda in advance of the meeting
  - Seek approval of the Agenda at the beginning of the meeting
    - Avoids off-topic discussions
  - **Stick to the Agenda!**

TIPS FOR AN EFFECTIVE MEETING #2

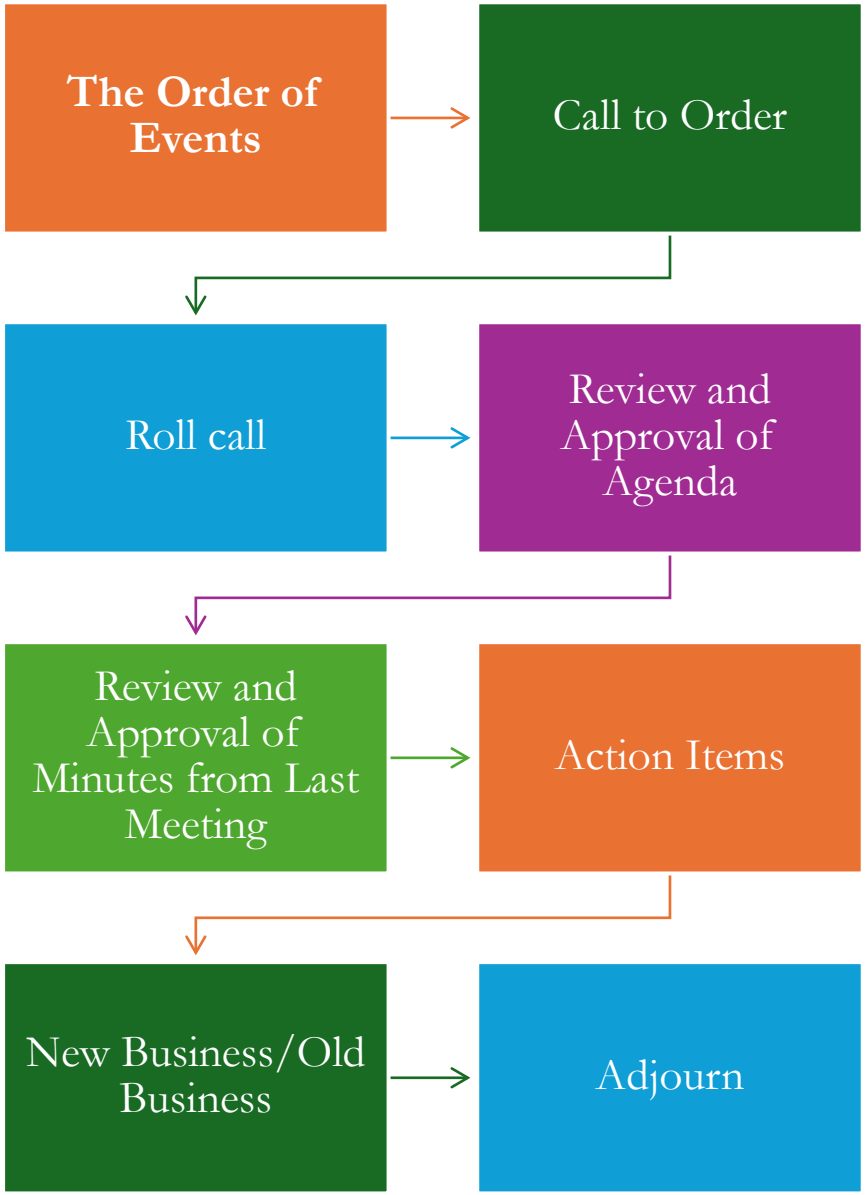
- **TIP #2: CONTROL THE MEETING**
- Use **unanimous consent** for non-controversial items
  - Approval of agenda
  - Approval of minutes
- **Solicit motions**
  - Chair does not make motions, but may "lobby" and ask for motions
- **Educate meeting participants on process**
  - Shared duty to actively participate in the known process
  - Hold participants to the process!
- **Be decisive**
  - Chair controls the meeting
  - Chair controls the record

TIPS FOR AN EFFECTIVE MEETING #3

- **TIP #3: SUMMARIZE AND MEMORIALIZE: MINUTES**
  - **Summarize:**
    - Conclude with a brief summary
    - Focus on decisions made
    - Revisit assignments (if any) to ensure agreement and adequate follow up
  - **Memorialize: Minutes**
    - Create Meeting Minutes (Secretary or designee)
    - Limit minutes to motions made and voted on or general topics of discussion
    - No need to record verbatim but BE ACCURATE
    - Include assignments or expected follow up

THE MEETING PROCESS:

ROBERT'S RULES OF ORDER



MAKING DECISIONS * MOTIONS

- **TYPES OF MOTIONS**
  - Primary
  - Secondary
  - Privileged
  - Incidental

VOTING

- **Not required to vote**; may abstain
- Chair can usually vote
  - Check by-laws for voting privileges
    - May be limited to voting to break a tie
- Votes may be taken
  - Verbal indication
  - Show of hands, standing
  - Ballot
- All action is by majority vote, unless by-laws or Robert's Rules deem otherwise

TAKE AWAYS

- **Preparation is KEY**: set meeting goals and execute to get there
  - Provide meeting materials in advance
- **Effective meetings are controlled**
  - Chair should be in command
    - Follow the Agenda
    - Use tools to make meetings efficient: unanimous consent; solicit motions; maintain civility
    - Set high expectations for decorum
- **Participants should be familiar with basic process and expectations**
  - Understand basic motion and voting requirements
  - Follow them!

  - **QUESTIONS?**