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## MEMORANDUM

To: Qualified Organizations & Licensed Manufacturers and Distributors of Licensed Supply  
From: Diane Freeman, Director of Charity Gaming  
Date: July 1, 2021  
Re: SEA 245 (2021) – Implementation Guidance

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Senate Enrolled Act 245 (SEA 245) goes into effect July 1, 2021. SEA 245 made several changes to the Charity Gaming article (IC art. 4-32.3 *et seq.*), which are described below.

### Accounting Period for Annual Activity Licenses

SEA 245 amended IC 4-32.3 *et seq.* to include a definition for an “accounting period” and set forth the duration of the accounting period.

IC 4-32.3-2-1.5: "Accounting period" means the period of time for which a licensed entity reports to the gaming commission the entity's income, expenses, and charitable contributions.

IC 4-32.3-6-0.5: (a) If a qualified organization is renewing [an annual activity] license issued under this article, the accounting period for the license ends on the last day of the calendar month that is two months before the calendar month in which the license expires.

(b) If a qualified organization is not renewing [an annual activity] license issued under this article, the accounting period for the license ends on the day the license expires.

In the past, the qualified organization's accounting period ended on the last day of the month prior to their license's expiration date. For example, if the organization's license expired on 8/31 of each year, then its accounting period ended on 7/31 of each year.

Beginning with all annual activity licenses expiring on 8/31/2021 and thereafter, the annual accounting periods will change pursuant to SEA 245. **It is important to note that annual activity license renewal applications and financial reports are still due no later than the 10<sup>th</sup> of the month in which the license expires—this has not changed.** However, under the new statute, organizations that hold annual activity licenses will have a month and ten days to complete their renewal documents. As an example, if your annual activity license expires on 8/31 of each year, your new accounting period will end on 6/30 of each year. The organization will then have the month of July and the first ten days of August to complete their renewal documents and submit them to the Charity Gaming Division so that the application can be processed and returned to the organization before the expiration of the license.

Those annual activity licenses expiring between 8/31/2021 and 7/31/2022 will have an eleven-month accounting period to allow for this transition period as per the chart below. After 7/31/2022, the accounting period for all

annual activity licenses will revert to the twelve-month accounting period.

<b>If your Annual Activity License expires on this date of each year</b>	<b>Your Licensing period is...</b>	<b>Your old Accounting period was from...</b>	<b>Your transition year Accounting period will be...</b>	<b>Your new Accounting period* will be ...</b>	<b>Your deadline for the IGC to receive your license renewal packet is...</b>
1/31	2/1 - 1/31	1/1 - 12/31	1/1 - 11/30	12/1 - 11/30	1/10
2/28	3/1 - 2/28	2/1 - 1/31	2/1 - 12/30	1/1 - 12/31	2/10
3/31	4/1 - 3/31	3/1 - 2/28	3/1 - 1/31	2/1 - 1/31	3/10
4/30	5/1 - 4/30	4/1 - 3/31	4/1 - 2/28	3/1 - 2/28	4/10
5/31	6/1 - 5/31	5/1 - 4/30	5/1 - 3/31	4/1 - 3/31	5/10
6/30	7/1 - 6/30	6/1 - 5/31	6/1 - 4/30	5/1 - 4/30	6/10
7/31	8/1 - 7/31	7/1 - 6/30	7/1 - 5/31	6/1 - 5/31	7/10
8/31	9/1 - 8/31	8/1 - 7/31	8/1 - 6/30	7/1 - 6/30	8/10
9/30	10/1 - 9/30	9/1 - 8/31	9/1 - 7/31	8/1 - 7/31	9/10
10/31	11/1 - 10/31	10/1 - 9/30	10/1 - 8/31	9/1 - 8/31	10/10
11/30	12/1 - 11/30	11/1 - 10/31	11/1 - 9/30	10/1 - 9/30	11/10
12/31	1/1 - 12/31	12/1 - 11/30	12/1 - 10/31	11/1 - 10/31	12/10

**Other notable changes (Effective July 1, 2021)**

- IC 4-32.3-5-3(a) – Explicitly specifies that a qualified organization may use its net proceeds for the lawful purposes of the organization INCLUDING the repair, maintenance or improvement of owned real property used for the lawful purposes of the qualified organization. *See [Allowable Expenses \(June 2021\).pdf](#)*
- IC 4-32.3-5-15(c) – Qualified organizations will be allowed to conduct an unlimited number of Bingo Events where the total jackpot payments exceed \$6,000 with permission of the Charity Gaming Division. Simply complete the Special Permission Request form (CG-SP) and submit it to the Charity Gaming Division for approval at least 14 days before the approved Bingo Event.
- IC 4-32.3-5-16(b)(3) – Increases the single prize amount for any progressive or carryover pull tab game to \$15,000, which was increased from the previous limit of \$5,000.
- IC 4-32.3-5-16(a) – Increases the total prizes awarded for one PPT game to \$15,000, which was increased from the previous limit of \$10,000.
- Please note that the new maximum single prize amount for a progressive or carryover pull tab game (IC 4-32.3-5-16(b)(3)) is the same as the total amount allowed for all prizes awarded for one PPT game under IC 4-32.3-5-16(a).
- IC 4-32.3-5-17(e) – Allows a person less than 18 to sell tickets or chances for a raffle only.
- IC 4-32.3-5-19 – Requires all qualified organizations to abide by the rules and regulations of the IRS with respect to reporting and withholding rules for charity gaming prize payouts. Organizations should also abide by the rules and regulations of the Indiana Department of Revenue with respect to reporting and withholding rules for charity gaming prize payouts.

Should you have any questions regarding this memorandum, please contact the Charity Gaming Division at (317) 232-4646.