

FRIENDS OF THE PARK HANDBOOK

Council of Friends of Boyce Park
Council of Friends of Deer Lakes Park
Council of Friends of Harrison Hills Park
Council of Friends of Hartwood Acres Park
Council of Friends of North Park
Council of Friends of Round Hill Park
Council of Friends of Settlers Cabin Park
Council of Friends of South Park
Council of Friends of White Oak Park



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I. Factual and Legal Background; Origin of the Friends of the Park

A. History

The various Councils of Friends for the nine County parks were formed by legislative action of the Allegheny County Council in late 2002. The ordinance that formed the Councils of Friends is number 54 of 2002. A copy of this ordinance is Attachment A to this handbook, but a brief overview follows.

B. Legislative Intent and Goals

The intent behind the formation of the Councils of Friends, as articulated in the ordinance, was to integrate the various volunteer organizations that had historically functioned to provide resources to create, rehabilitate, and improve park facilities. Ordinance 54-02 did, however, also recognize that the County's parks system was about to experience significant change, and the stated goal was to utilize "an existing structure to communicate with citizens and interested parties about matters that affect our parks."

C. Role and Responsibilities of the Councils of Friends

In accordance with this goal, Ordinance 54-02 created the Councils of Friends as "advisory" bodies, and established a list of seven responsibilities for the Councils of Friends, as follow:

1. Streamline communications with all existing "friends" groups within their respective park by sharing information on park plans that impact their specific interest areas.
2. Conduct periodic public meetings to report to the community and to receive input on various issues from the citizens.
3. Communicate information from the public meetings to the Director and the Parks & Recreation Commission, including initiatives undertaken by special interest groups and suggestions for changes or attention to park facilities.
4. Maximize the effectiveness of efforts by the various "friends" groups within the park by sharing information at public meetings and coordinating events and initiatives.
5. Work in conjunction with the County Council Members representing the district in which the park is located to address issues of concern or interest.
6. Make reports to the community and special interest groups in existence on Department plans for the parks.

7. Work closely with the Director and staff to educate park users about changes in governance and the positive impacts for their interest areas.

Obviously, the plain language of these seven responsibilities relates entirely to sharing information, and accordingly Ordinance 54-02 does not empower the Councils of Friends to undertake any actions relating to the nine County parks.

D. Status as County Agencies

The Councils of Friends are, however, designated as County Agencies within the meaning of the Administrative Code of Allegheny County. This, however, does not extend the authorization contained within Ordinance 54-02, because the Administrative Code itself (§5-215.02) establishes that the operations of County agencies must be conducted in accordance with the requirements set forth in the law or regulations governing each agency. In short, the Administrative Code points back to Ordinance 54-02 as the sole authority for determining the appropriate operations of the Councils of Friends. The Administrative Code and Home Rule Charter of Allegheny County do, however, create procedural requirements for the Councils of Friends, as described below.

E. Interactions

Within the seven responsibilities of the Councils of Friends, three other entities are named: the County Council, the Director of the Parks Department, and the Parks and Recreation Commission. Because the Parks and Recreation Commission is no longer a functioning entity, however, for all practical terms, the responsibilities of the Councils of Friends now relate only to the County Council and the Director of the Parks Department.

II. Guidelines

Because the Councils of Friends were created by County Council as entities that were expressly intended to aid the Council, because County Council retains sole and exclusive authority for appointments to the Councils of Friends, and because County Council retains the authority to alter the role and/or function of the Councils of Friends, the Councils of Friends are deemed to be within the purview of County Council. Accordingly, the Council's Committee on Parks has formulated the following guidelines for the Councils of Friends.

A. Contract Agent Status

It must be noted at the outset and remembered at all times that the Councils of Friends and individuals appointed to those Councils are not, at any time, to act as agents of the County. Neither the Councils nor any members thereof are vested with any authority to bind the County to undertake any action. Neither the Councils nor any members thereof are vested with any authority to enter contractual relationships on behalf of the County. Councils of Friends and individuals appointed thereto are accordingly not to undertake any negotiations on behalf of the County, and at all times are to refrain from involvement in the negotiation, award, formulation or

execution of any request for proposals or bids, contract, memorandum of understanding, or any other contractual undertaking.

B. Contracting

Because the Councils of Friends are not vested with the authority to enter into contracts on their own behalf by Ordinance 54-02, the Councils may not do so.

C. Property Rights

Allegheny County is, and remains, the property owner for all nine County parks. The Councils of Friends are not vested with any property rights whatsoever, and may not, under any circumstances, authorize the use of any County park or County-owned facility.

Pursuant to the Home Rule Charter of Allegheny County, Article IV, §2(k), any and all leasing, conveying, and permitting the use of County land, property, or other real or personal property must be undertaken through legislative action of the County Council.

Pursuant to the Home Rule Charter of Allegheny County, Article IV, §2(j), all acceptance of grants, gifts or donations of real or personal property on behalf of the County must also be undertaken through legislative action of the County Council or the Parks Department (See Attachment C, Item 6).

As a result of the foregoing two Charter provisions, any action that a Council of Friends would consider undertaking that relates to leasing park property, permitting the use of Park property, or gifting or donating real or personal property to a County park **must** be authorized in advance by ordinance. Beginning January 1, 2015, the Parks Director shall, no less frequently than once each quarter, provide Council with a written report delineating any and all gifts of property accepted by him pursuant to applicable County law since the last such report was tendered.

D. Naming Rights

Pursuant to Article 705 of the Administrative Code of Allegheny County, all philanthropic, honorary, and sponsorship naming rights decisions must be made via legislative act of the County Council. The Councils of Friends and individuals appointed thereto are accordingly not to undertake determinations relating to any naming right or sponsorship.

E. Fundraising

The terms of Ordinance 54-02 do not empower the Councils of Friends to undertake fundraising activities on behalf of Allegheny County. Accordingly, no Council of Friends or individual appointed thereto may ever do so.

With that said, however, the terms of Ordinance 54-02 also do not prohibit the Councils of Friends from raising funds on their own behalf for contribution to Allegheny County for use

within the parks. If a Council of Friends or individual appointed thereto opt to pursue this type of fundraising initiative, the following guidelines must be applied:

1. The Councils of Friends are not empowered to seek tax exempt status. As a result, no donation made to a Council of Friends as a result of its fundraising activities is tax deductible.
2. The Councils of Friends must coordinate fundraising activities with the Allegheny County Parks Foundation in order to avoid duplication of effort.
3. Because the Councils of Friends are not empowered to determine what improvements will be made to County owned property, the Councils shall refrain from raising funds for any specific improvement, unless such improvement has already been authorized by legislative act of the County Council or approval of the Director. See Attachment C for the process for project approval and funding.
- ~~4. No Council of Friends may solicit funds in excess of \$25,000 in any calendar year, unless specifically authorized to do so by County Council via validly enacted motion.~~
4. The Councils of Friends may only raise funds through special events, rather than by placing donation boxes or similar activities geared toward continuous fundraising. Accordingly, special events such as bake sales, golf outings, and the like are permissible. The following additional guidelines apply to specific events:
 - a. If alcoholic beverages are to be served at any fundraising event, the Council of Friends sponsoring the event must ensure that the appropriate licenses and permits are in place, that all applicable taxes (including the Allegheny County drink tax) are paid, that all required insurance is obtained, and that the event comports to all applicable federal, state and local laws. No Council of Friends appointees may serve alcohol at any event; service of alcoholic beverages may only be undertaken by entities bonded and insured specifically for such service. To the extent practicable, alcoholic beverages should not be served at events sponsored by any Council of Friends on County owned property. Prior to sponsoring any event at which alcohol will be served, the Councils of Friends are strongly encouraged to seek the advice of counsel with regard to Commonwealth of Pennsylvania law as it applies to dram shops and potential liability that may result from serving alcohol, including but not limited to potential liability for traffic accidents caused by individuals served alcoholic beverages at the event.
 - b. Councils of Friends are prohibited from operating any small game of chance other than raffles and/or 50/50 drawings on County owned property, regardless of whether such operation is licensed by the

Commonwealth of Pennsylvania or any other licensing agency. A copy of the Pennsylvania Department of Revenue's Small Games of Chance Overview is attached for reference purposes as Attachment B. Councils of Friends are required to comply with all licensing and other requirements in order to operate any permissible small game of chance.

5. Councils of Friends must clearly denote that any fundraising activities are undertaken by the friends group in order to raise funding to aid County parks projects, and not by Allegheny County or the Allegheny County Parks Foundation.
6. All funds raised at Council of Friends sponsored fundraising events must be deposited into a bank account established specifically for the purpose by that Council of Friends. Checks drawn on any account containing funds raised by a Council of Friends must be signed by at least two members of the appropriate Council of Friends. All Councils of Friends must, no later than January 31 of each year, provide County Council's Budget Director and the Director of the Parks Department with a report of all funds raised in the prior calendar year, together with clear descriptions of all purposes for which any and all raised funds have been expended in the prior calendar year.
7. The Councils of Friends shall be responsible for the payment of any and all taxes, fees, and other expenses that result from their fundraising activities.
8. The Councils of Friends may not use any portion of funds raised for their own administrative or other expenses, apart from expenses resulting from events at which funds are raised.
9. As County agencies, the Councils of Friends that conduct fundraising activities will be required to permit access to their financial records at any reasonable time in the event within thirty (30) days of receipt of written notice that the Allegheny County Controller opts to audit such records. In addition, all Council of Friends officers and any individual(s) signing checks drawn on accounts owned in whole or in part by any Council of Friends must submit annual disclosure of financial interest forms to Allegheny County.
10. Any Council(s) of Friends shall immediately terminate any fundraising activity upon request by the Allegheny County Council Committee on Parks.

F. Presentation

No Council of Friends shall ever hold itself or any of its members out to the public as representatives of Allegheny County. As a result, no Council of Friends may use the County seal, letterhead, or any other identification suggesting that the Council or any of its appointed members are acting as agents of the County.

Attachment A

Council of Friends Statute

The following provisions are found within Chapter 215 of the Allegheny County Code of Ordinances. The provisions appearing herein incorporate the original enactment of the Council of Friends ordinance (54-02-OR) and subsequent amendments (03-03-OR, 11-13-OR and 04-14-OR).

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ARTICLE III

Council of Friends

§215-9. Creation.

There is hereby created an advisory council in each of the county parks: Boyce Park, Deer Lakes Park, Harrison Hills Park, Hartwood Acres Park, North Park, Round Hill Park, Settler's Cabin Park, South Park and White Oak Park. Each council shall be designated as the Council of Friends of the respective park. Each council shall be a county agency as defined in the Administrative Code and shall be subject to all provisions within the code relating to agencies.

§215-10. Definitions

Unless a different meaning clearly appears from the context, the following terms, as used in this ordinance, shall be defined as follows:

- A. "Department" shall mean the Department of Parks and Recreation.
- B. "Director" shall mean the Director of Parks and Recreation.
- C. "Friends Council" shall mean the Council of Friends for any or all parks.
- D. "Members" shall mean the members of the Council of Friends.

§215-11. Membership; terms of office.

- A. Each Friends Council shall be comprised of a minimum of seven (7) members. Appointments to each Friends Council shall be made as designated in this ordinance and presented to County Council for confirmation. Vacancies shall be filled in the same manner for an unexpired term.
- B. County Council Members that represent a district in which a park is located shall make seven appointments for each park located within their district. If a member has more than one park in their district, there shall be seven selections per park. The Council Members shall present their appointments to the Full Council for confirmation.
- C. County Council Members that represent a district in which there is no park shall make three appointments each and shall designate to which Friends Council those appointments are being made. The At-Large Members of County Council shall also make three appointments each and shall designate to which Friends Council those appointments are being made. The Council Members shall present their appointments to the Full Council for confirmation.
- D. The members of the Friends Council must reside in the County at the time of their appointment and must maintain residence within the County at all times during their service on the Friends Council.

- E. The terms of office shall be two (2) years for each member of the Friends Council. Members may be reappointed after their initial term. The term of office shall begin with the appointment of the Director of Parks and Recreation by the County Executive. The terms shall terminate when member's successors are appointed and qualified.
- F. The members of the Friends Councils shall receive no compensation for the performance of their official duties.

§215-12. Election of officers.

- A. Each Friends Council shall have at least two officers, Chair and Vice Chair.
- B. All officers shall be elected by the members for a term of two years and no officer shall serve more than two successive terms in that office.
- C. The officers of the Friends Council shall perform such duties as are customarily assigned to such officers.

§215-13. Powers and duties.

- A. Each Friends Council shall have the following powers and duties:
 - 1. Streamline communications with all existing "friends" groups within their respective park by sharing information on park plans that impact their specific interest areas.
 - 2. Conduct periodic public meetings to report to the community and to receive input on various issues from the citizens.
 - 3. Communicate information from the public meetings to the Director and the Parks & Recreation Commission, including initiatives undertaken by special interest groups and suggestions for changes or attention to park facilities.
 - 4. Maximize the effectiveness of efforts by the various "friends" groups within the park by sharing information at public meetings and coordinating events and initiatives.
 - 5. Work in conjunction with the County Council Members representing the district in which the park is located to address issues of concern or interest.
 - 6. Make reports to the community and special interest groups in existence on Department plans for the parks.
 - 7. Work closely with the Director and staff to educate park users about changes in governance and the positive impacts for their interest areas.

§215-14. Meetings.

- A. Regular meetings of the Friends Councils shall be held, at a minimum, twice a year at a time and place to be determined by each respective Friends Council. Meetings shall be open to the public and shall be held within Allegheny County.
- B. Notice of the meeting and its agenda shall be given to the public prior to meeting and shall also be communicated to the County Executive, County Council and the Director. The agenda shall be at the discretion of the Friends Council.
- C. A majority of all the members in attendance at the meeting of a Friends Council shall constitute a quorum for the transaction of business. A motion shall carry upon the affirmative vote of the majority of the members present at any meeting.
- D. Summaries of each meeting shall be kept and filed with the County Clerk who shall, in turn, provide copies to the County Executive and County Council.
- E. Robert's Rules of Order shall prevail.

Attachment B
PA Department of Revenue Small Games of
Chance Overview

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DISCLAIMER

The Pennsylvania Department of Revenue has prepared this overview on Pennsylvania's Local Option Small Games of Chance Act, 1988 P.L. 1262, No. 156, as amended, for use by the general public. This overview is for informational purposes only. Nothing contained in herein should be considered legal advice. Any person or entity with legal questions regarding the Local Option Small Games of Chance Act should review the provisions of the Act for guidance or consult private legal counsel.

SMALL GAMES OF CHANCE OVERVIEW

INTRODUCTION

The Pennsylvania Crimes Code provides that all forms of gambling are illegal unless the Pennsylvania Legislature specifically authorizes the gambling activity by statute.

Gambling exists when there is a payment of consideration or a fee or something of value for the opportunity for a prize or reward, the winner of which is determined by chance. Effectively, the three elements are: (1) consideration, (2) chance and (3) prize or reward.

Currently, the only authorized and legal forms of gambling in Pennsylvania are:

1. Those gambling activities conducted pursuant to the Race Horse Industry Reform Act.
2. Pennsylvania Lottery (including Powerball and Mega Millions).
3. Bingo conducted pursuant to the Bingo Law.
4. Those gambling activities conducted pursuant to the Pennsylvania Race Horse Development and Gaming Act (Slots and Table Games).
5. Those gambling activities conducted pursuant to the Local Option Small Games of Chance Act.

This Overview discusses the gambling activities conducted pursuant to the Local Option Small Games of Chance Act.

The Pennsylvania Local Option Small Games of Chance Act was passed in 1988 and has been amended several times since its enactment, most notably by Acts 2 and 184 of 2012 and Acts 90 and 92 of 2013.

The small games of chance law authorizes certain non-profit organizations, known as eligible organizations (including club licensees), and for-profit taverns to conduct limited types of gambling.

TYPES OF GAMES

Licensed Eligible Organizations

Licensed eligible organizations are authorized to conduct the following games of chance:

1. Pull-tab games
2. Punchboards
3. Raffles (including special permit raffles)
4. Daily drawings
5. Weekly drawings
6. Fifty-fifty (50/50) drawings (including major league sports drawings)
7. Race Night Games
8. Pools, excluding sports pools¹

Tavern Gaming Licensee

Tavern gaming licensees are authorized to conduct the following types of games, known as “tavern games:”

1. Pull-tab games
2. Tavern raffles, which are limited to once a month and must designate at least half of net revenue to a designated charity
3. Tavern daily drawings

TYPES OF LICENSES

Eligible Organization Licenses

There are two types of licenses available to eligible organizations: A regular license and a monthly license. An eligible organization may conduct all forms of games of chance under either license type. See above for the types of games of chance an eligible organization may conduct.

¹ Pools are limited by the Professional and Amateur Sports Protection Act (28 U.S.C. §§ 3701, et seq.), which states as follows:

It shall be unlawful for--

- (1) a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact, or
- (2) a person to sponsor, operate, advertise, or promote, pursuant to the law or compact of a governmental entity, a lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly (through the use of geographical references or otherwise), on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

Consequently, pools involving professional or amateur athletes are not authorized by the Act.

1. **Regular License:** A regular license is an annual license, and the term runs for a calendar year from the date of issuance. The fee for an annual license is \$125.
2. **Monthly License.** A monthly license is valid for 30 consecutive days from the date of issuance. There is no restriction on the number of monthly licenses an eligible organization may obtain, but the licenses may not overlap. The fee for a monthly license is \$25.
3. **Special Raffle Permits.** Special raffle permits are available to regular and monthly licensees. The special raffle permit authorizes a holder to conduct a raffle that exceeds the normal prize limits applicable to games of chance. As a general rule, a licensed eligible organization may obtain up to 10 special raffle permits. Total prizes awarded under all special raffle permits may not exceed \$150,000. Volunteer fire, ambulance, rescue or conservation organizations may obtain up to 12 special raffle permits and award up to \$250,000 in prizes. For a licensed eligible organization with a regular license, the organization can receive either 10 or 12 special raffle permits during the annual license term. Because a licensed eligible organization that obtains only a monthly license does not have an annual licensed term, such organization may receive no more than 10 or 12 special permits in any calendar year.

Tavern Gaming Licenses

There is only one type of license available to a tavern: a tavern gaming license. Taverns that obtain a tavern gaming license from the Pennsylvania Liquor Control Board (PLCB) are authorized to offer pull-tab games, tavern raffles and tavern daily drawings.

The tavern gaming license is an annual license issued and renewed by the PLCB. For additional information about the tavern gaming licensing process, visit www.lcb.state.pa.us.

ADMINISTRATION AND ENFORCEMENT

Small games of chance law is administered and enforced by several different government entities: licensing authorities, the Department of Revenue, the PLCB, the Pennsylvania Gaming Control Board (PGCB) and law enforcement officials.

Licensing Authorities – The licensing authorities for club licensees and eligible organizations seeking to offer small games of chance are the county treasurers in each of Pennsylvania’s 67 counties. Where there is no county treasurer, such as in a home-rule county or city of the first class, the licensing authority is the designee of the governing body. The licensing authority is responsible for licensing eligible organizations to conduct games of chance in the commonwealth and for issuing special raffle permits. For tavern gaming, the PLCB is the licensing authority.

Department of Revenue – The department is charged with several responsibilities under small games of chance law, as follows:

1. Registration of games of chance manufacturers.

2. Reviewing and approving pull-tab games and punchboards for use in the commonwealth.
3. Licensing of distributors to sell pull-tabs, punchboards and race night games for use in the commonwealth.
4. Receipt and retention of games of chance reports from clubs.
5. Random audits of 5 percent of club licensees every two years.
6. Administration of the state and host municipality tavern games taxes.
7. Limited regulatory authority related to manufacturer registration, distributor licensing, games of chance and games of chance records and reports.

PLCB – The PLCB is responsible for licensing taverns to conduct tavern games in the commonwealth, and it may also impose penalties for tavern licensees’ violation of small games of chance law, including suspension or revocation of tavern gaming licenses.

PGCB – The PGCB’s Bureau of Investigations and Enforcement is responsible for conducting background investigations of each tavern game license applicant.

Law enforcement officials – Commonwealth law enforcement officials – including local police, state police, the Bureau of Liquor Control Enforcement, local district attorneys and the Attorney General -- are responsible for overseeing the operation of games of chance and for bringing civil and criminal charges against organizations and individuals for violations of the law.

Information Sharing: The government entities responsible for administering and enforcing small games of chance law are allowed to share information and documentation for purposes of administering and enforcing the law.

SALE/PURCHASE OF GAMES OF CHANCE

Pull-tab games, punchboards and race night games for use in the commonwealth may only be produced by manufacturers registered with the Department of Revenue. Distributors may only purchase small games of chance from registered manufacturers, and taverns and eligible organizations licensed to sell small games of chance must purchase them from distributors licensed by the Department of Revenue. Listings of small games of chance manufacturers and distributors are available at www.revenue.state.pa.us/SGOC.

Tickets and other products used to play other types of games of chance do not have to be purchased from a registered manufacturer or licensed distributor. Only licensed eligible organizations, including club licensees, and tavern gaming licensees may purchase and operate games of chance in the commonwealth.

ELIGIBLE ORGANIZATIONS

An **eligible organization** is one of the following types of entities: a charitable, religious, fraternal or veterans’ organization; a club, civic and service association; or an affiliated non-profit organization of a

major league sports team. An eligible organization must be in existence and fulfilling its purpose for one year in order to be eligible for a games of chance license.

An **auxiliary group** of an eligible organization is not an eligible organization and is not eligible for its own small games of chance license. However, an auxiliary group may conduct games of chance using the license of its parent eligible organization so long as the auxiliary group is listed on the eligible organization's license application. All games of chance conducted by the auxiliary group are considered as if they were conducted by the eligible organization.

A **club licensee** is a specific type of eligible organization. Any organization that is an 'exempt organization' under the Internal Revenue Code Section 501(c) or 527, which is licensed to sell liquor under Section 404 of the Pennsylvania Liquor Code, is a 'club'. If it obtains a games of chance license from the county treasurer, it is a 'club licensee' for small games of chance purposes. Club licensees, unlike other licensed eligible organizations that can only use games of chance proceeds for public interest purposes, can use some games of chance proceeds for operating expenses. Annual reporting requirements apply for club licensees.

TAVERNS

A tavern eligible for a tavern gaming license is defined as a hotel, restaurant, privately owned public golf course, brew pub or microbrewery with a valid license to sell alcohol under the Liquor Code and which is located in a municipality that allows small games of chance.

The following are not eligible for tavern gaming licenses: eating place retail dispenser ("E") licensees; limited wineries ("LK"); limited distilleries ("AL"); any tavern located in a municipality that has not authorized small games of chance; a grocery store, including a restaurant with an interior connection to a grocery store; a restaurant where the sale of liquid fuels or oil is conducted; a hotel or restaurant located in a casino; a business on the grounds of a public venue facility where a major league sports team or racing facility conducts games or races; any liquor license held in safekeeping; any liquor license declared to be a nuisance under Section 611 of the Liquor Code; and any liquor license under objection by the PLCB as a nuisance bar.

The PLCB issues tavern gaming licenses. For additional information about the tavern gaming licensing process, visit www.lcb.state.pa.us.

PRIZE LIMITS

Eligible Organizations/Club Licensees

The following **prize limits** apply:

1. A prize for a single chance in any game may not exceed \$2,000.

2. An eligible organization is limited to awarding \$35,000 in prizes during an operating week (seven consecutive, reoccurring operating or non-operating days).
3. No more than \$15,000 may be awarded in raffles during a calendar month.

Limited **exceptions** to the prize limits exist:

1. Raffles conducted under a special permit: Licensed eligible organizations can apply to the county treasurer for special permits. Raffles conducted under a special permit are not subject to the general prize limitations above. Licensed eligible organizations are eligible to receive up to 10 special permits and may award up to \$150,000 from all special permit raffles. Volunteer fire, ambulance, rescue or conservation organizations that are not club licensees are eligible for up to 12 special permits and may award up to \$250,000 from all special permit raffles.
2. Daily and weekly drawing carryovers: Amounts paid out in a carryover daily drawing or a weekly drawing are not subject to the general prize limits. A carryover occurs when there is no winner in the prior daily or weekly drawing and the prize from such drawing is carried over to be included as a prize in the next daily or weekly drawing.
3. 100 percent payout drawings: When a daily or weekly drawing is conducted to award 100 percent of the gross revenue from the game, then the prize does not count against the \$35,000 weekly prize limit.
4. Major league sports drawings. Major league sports drawings are not subject to the general prize limits.

Tavern Gaming Licensees

All tavern games are subject to the following prize limits:

1. A prize for a single chance in any tavern game may not exceed \$2,000.
2. A tavern gaming licensee may not award more than \$35,000 in prizes during an operating week (seven consecutive, reoccurring operating or non-operating days).

There are no exceptions to the prize limits for tavern games.

USE OF PROCEEDS OR NET REVENUE

Eligible Organizations'/Club Licensees' Use of Proceeds

Generally, all games of chance **proceeds**, except for proceeds from major league sports drawings, are to be used for public interest purposes. An eligible organization that has as its primary purpose the promotion of a public interest purpose may use small games of chance proceeds to carry out that purpose. "Public interest purpose" is defined as:

One or more of the following:

(1) The activities and operations of a nonprofit benevolent, religious, educational, philanthropic, humane, scientific, patriotic, social welfare, social advocacy, public health, public safety, emergency response, environmental or civic objective [sic].

(2) Initiating, performing or fostering worthy public works or enabling or furthering the erection or maintenance of public structures.

(3) Lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people.

(4) Improving, expanding, maintaining or repairing real property owned or leased by an eligible organization and relating operational expenses used for purposes specified in paragraphs (1), (2) and (3).

The term does not include the erection or acquisition of any real property, unless the property will be used exclusively for one or more of the purposes specified in this definition.

Games of chance proceeds may also be used to purchase games of chance and to pay for eligible organization license fees related to game of chance license applications.

In addition to public interest purposes, a club licensee may use up to 40 percent of its games of chance proceeds per calendar year for expenses of the club licensee. Any proceeds not used for expenses must be used for public interest purposes. So a club licensee must use, at a minimum, 60 percent of its proceeds for public interest purposes. If, however, a club licensee has games of chance proceeds of \$40,000 or less during a calendar, then in the following calendar year the club licensee may use the first \$20,000 of its proceeds for expenses of the club licensee in addition to the 40 percent. The \$20,000 is deducted before calculating the 60/40 split.²

All games of chance proceeds obtained must be expended within a year after the calendar year they were obtained,³ with one exception. A club licensee may set aside some or all of its allotted proceeds that are allocated to pay for expenses, if such proceeds are to be used for a substantial public interest purchase or project. A club licensee is required to notify the department that it is retaining the proceeds for the project. See "Non-Tax Reporting Requirements" for additional information.

Note the rules for use of proceeds do not apply to **major league sports drawings**. Rather, 50 percent of the gross revenue from a major league sports drawing must be paid out as prizes. The remaining 50 percent must be donated to a designated charitable organization (although up to 2 percent may be used to pay administrative expenses associated with the conduct of the drawing).

² Prior to the passage of Act 90 of 2013, the split for use of proceeds was 70/30 and there was not a \$20,000 deduction. Act 90 of 2013 was signed into law in November 2013, effective Jan. 27, 2014. It is the department's interpretation that the General Assembly intended the 70/30 split and the rules prior to the passage of Act 90 to apply to the entire 2013 calendar year. The new 60/40 split and \$20,000 deduction applies to the 2014 calendar year and calendar years thereafter. In order to determine if the \$20,000 deduction applies, the club looks to its proceeds from the prior calendar year. Therefore, to determine if a club gets the \$20,000 deduction for the 2014 calendar year, the club must look to determine if it had proceeds of \$40,000 or less in the 2013 calendar year. If so, the club gets the \$20,000 deduction in the 2014 calendar year.

³ This applies to proceeds received during the 2014 calendar year and calendar years thereafter. For calendar years 2013 and prior, proceeds had to be expended within the calendar year of receipt.

An eligible organization with proceeds in excess of \$40,000 is required to keep all small games of chance proceeds in a **bank account separate from all other organization funds or accounts**.

Tavern Gaming Licensees' Use of Net Revenue

The revenue from tavern games is considered business income of the tavern gaming licensee and may be used by the tavern licensee for any legal purpose subject to the following:

1. Tavern raffles: At least 50 percent of net revenue from tavern raffles must be donated to a designated charity within seven days of the tavern raffle. The remaining 50 percent of net revenue is then subject to the state and host municipality tavern games taxes.
2. State tavern games tax: 60 percent of net revenue from tavern games must be transmitted to the Department of Revenue as a state tax.
3. Host municipality tax: 5 percent of net revenue from tavern games must be transmitted to the Department of Revenue as a local tax for the host municipality where the tavern gaming licensee is located.

See "Tavern Games Taxes" for additional information.

A tavern gaming licensee is required to keep all net revenue from tavern games in a **bank account separate from all other organization funds or accounts**.

TAVERN GAMES TAXES

A state tavern games tax and a local host municipality tavern games tax are imposed on the net revenue of all tavern games. The state tax is 60 percent, and the host municipality tax is 5 percent of net revenue from tavern games.

Tax on Pull-Tab Games

Pull-tab games must be purchased from licensed distributors. Taverns pay state and local tavern games taxes at the time the pull-tab game is purchased from the distributor. The distributor is responsible for collecting the taxes and remitting them to the department.

For purposes of calculating the tax due, net revenue is the net/ideal profit from the pull-tab game as indicated by the manufacturer on the pull-tab game flare.

Example: A pull-tab game with a 1,000 pulls at \$1 per pull and a 70 percent payout has a net/ideal profit of \$300: $(1,000 \times \$1) - \700 in prizes = \$300. The 60 percent state tavern games tax collectable at the time the pull-tab game is purchased from the distributor is \$180 $(\$300 \times 0.6)$. The 5 percent host municipality tavern games tax collectable at the time the pull-tab game is purchased from the distributor is \$15 $(\$300 \times 0.05)$.

Pull-tab games purchased by for-profit taverns are also subject to sales tax, which is 6 percent of the cost of the pull-tabs before tavern games tax is imposed (additional 1 percent local sales tax in Allegheny County and 2 percent local sales tax in Philadelphia). Sales tax is also collected from the tavern and remitted to the department by the distributor.

Tax on Other Tavern Games

Tavern raffles and tavern daily drawings do not have to be purchased from licensed distributors. Therefore, the state and local taxes on these games are paid by the tavern gaming licensee.

For purposes of calculating tax due, net revenue is the difference between the gross revenue collected from the sale of chances in the game less the cost of prizes awarded in the game and the cost to purchase the game.

Example 1: A tavern sells 500 daily drawing tickets for \$1 each for a prize of 50 percent of ticket sales. Cost of the game is \$5 for a roll of tickets. Net revenue is \$245: \$500 - \$250 prize - \$5. Tavern tax is imposed on \$245: state tax of \$147 (60 percent of \$245) and municipality tax of \$12.25 (5 percent of \$245).

Example 2: A tavern sells \$1 tickets for a daily drawing prize equaling 100 percent of ticket sales. In such case, there is no net revenue and therefore no tavern tax due.

Example 3: A tavern gaming licensee runs a tavern raffle with 50 percent of the revenue to benefit the local food bank. 1,000 tickets are sold for \$1 each over a course of the month for total gross revenue of \$1,000. One winner receives a prize of \$400. The raffle ticket printing costs total \$10. Therefore, the remaining revenue is \$590: \$1,000 - \$400 - \$10. \$295 (50 percent of the remaining \$590) is given to the food bank as a charitable donation. The state and local tax is imposed on the other \$295: state tax of \$177 (60 percent of \$295) and host municipality tax of \$14.75 (5 percent of \$295).

Tax Payment and Reporting Requirements

Licensed distributors must file tavern games tax returns and remit tax on a monthly basis. Returns and tax for each month are due on the 20th of the following month.

Tavern gaming licensees must file tavern gaming tax returns and remit tax on a quarterly basis. Returns and tax for each calendar quarter are due on the 20th of the month following the close of each calendar quarter: April 20, July 20, October 20 and January 20.

Tax payments of \$1,000 or more must be remitted electronically.

Tavern tax returns must be filed electronically, and the filing system will be accessible by March 20, 2014, at www.revenue.state.pa.us/SGOC.

OTHER REPORTING REQUIREMENTS

Under federal law, games of chance winnings payments must be reported via W-2G when the amount paid is \$600 or more and at least 300 times the amount of the wager. The original W-2G is to be presented to the winner, a copy of each W-2G must be provided to the Department of Revenue and the IRS, and the tavern should keep a copy of each W-2G for its records (see "Record-Keeping Requirements").

Additional information and W-2G forms are available at <http://www.irs.gov/uac/Form-W-2G,-Certain-Gambling-Winnings>.

Club Licensees

All club licensees with proceeds in excess of \$20,000 in a calendar year are required to submit annual reports to the Department of Revenue by Feb. 1, for the preceding calendar year.

Annual report filing information will be accessible at www.revenue.state.pa.us/SGOC when available.

Club licensees' annual reports will require the following information:

- proceeds received by the club licensee from each game of chance conducted, itemized by week
- amount of prizes paid from all games of chance, itemized by week
- other costs incurred related to the conduct of games of chance
- verification and itemization of amounts distributed for public interest

A club licensee that retains games of chance proceeds for a substantial public interest purchase or project is required to give **notice of the retention** to the department via the club licensee's annual report.

Tavern Gaming Licensees

All tavern gaming licensees must submit an annual report to the PLCB and the Department of Revenue by Jan. 20, for the previous calendar year.

Annual report filing information will be accessible at www.revenue.state.pa.us/SGOC when available, and the department will provide a spreadsheet to facilitate proper record-keeping for taverns.

Tavern gaming licensees' annual reports will require the following information:

- For **pull-tab games**: number of W-2Gs, gross winnings reported from W2-Gs, total gross revenue, total payable prizes, total net revenue, state/municipality tavern tax
- For **tavern daily drawings & tavern raffles**: type of game, number of W-2Gs, gross winnings reported from W2-Gs, total gross revenue, total prizes paid, total net revenue, total amount donated (raffles) and state/municipality tavern gaming tax

RECORD-KEEPING REQUIREMENTS

Licensed Eligible Organizations and Club Licensees:

A licensed eligible organization is required to keep records related to games of chance activity sufficient to demonstrate the organization's compliance with the law upon inspection or audit. A licensed eligible organization must retain its records for at least two years. A club licensee must maintain its records for at least five years.

Records must include the following:

1. All sales invoices.
2. Gross receipts from the conduct of each game of chance.
3. The cost of each game of chance and other expenses related to the conduct of each game of chance.
4. The total of prizes paid out for each game of chance and each prize's cost or fair market value.
5. The proceeds from the conduct of each game of chance.
6. Totals for items enumerated in items 2 through 5 above for each operating day, operating week, calendar month, calendar year and licensed term.
7. Details as to how proceeds from games of chance were used or disbursed by the eligible organization.
8. A record of any prize for which the licensed eligible organization is required to make a W-2G report to the IRS.
9. A list of winners' names and addresses for prizes in excess of \$600.
10. For merchandise prizes, the licensed eligible organization is required to obtain a sales invoice showing the purchase price of the prize, or if the prize was donated to the licensed eligible organization, a written statement from the donor indicating the fair market value of the prize.

A licensed eligible organization must also maintain records relating to the printing or purchase of materials to be used for raffles and daily and weekly drawings. Records should include an invoice or receipt from the place of purchase that shows the cost and number or amount of the materials purchased.

The Pennsylvania State Police Bureau of Liquor Control Enforcement makes available various record-keeping tools on its website to facilitate proper record-keeping.

Tavern Gaming Licensees

Record-keeping requirements for tavern gaming licensees have yet to be formally established. In the meantime, taverns are advised to keep records similar to those identified above in order to facilitate tax filing and other reporting requirements, as well as to demonstrate compliance with small games of chance law. Additionally, the department will provide a spreadsheet to facilitate proper record-keeping for taverns at www.revenue.state.pa.us/SGOC.

GAMES REGULATED BY THE DEPARTMENT

The department regulates pull-tab games and punchboards sold for use in the commonwealth. All pull-tab games and punchboards must be pre-approved by the department before being offered for sale and use in the commonwealth. Although manufacturers and distributors of race night games must be registered and/or licensed with the department, race night games do not have to be pre-approved before being offered for sale or use in the commonwealth

Pull-tab Game and Punchboard Definitions and Requirements

- A *pull-tab game* is a deal of pull-tabs and its corresponding flare.
- A *pull-tab* is a game piece in a pull-tab game made completely of paper or paper products with concealed numbers or symbols that must be exposed by the player to reveal pre-determined winning numbers or symbols.
- A *punchboard* is a board, placard or other device comprised of receptacles, usually laid out in a grid or column pattern, containing a deal of hidden punches and its corresponding flare.
- A *punch* is a crimped strip of paper that is enclosed in a punchboard receptacle that contains pre-determined winning or losing numbers or symbols.
- A *deal* is a set of pull-tabs or punches.
- A *flare* is a card, graphic, illustration or other document that identifies the rules for the game, the prize structure, payout percentages and winning and losing numbers or symbols.

A **pull-tab game** must comply with the following:

1. At least 65 percent of the maximum potential gross receipts from the sale of pull-tabs must be payable as prizes.
2. A prize on an individual pull-tab may not exceed \$2,000.
3. An individual pull-tab deal may not contain more than 4,000 individual pull-tabs.
4. The flare advertising prizes available from the pull-tab deal must be made by the manufacturer and may only be altered by the eligible organization to indicate that merchandise of equivalent value will substitute for a cash prize.
5. Only one flare may be displayed for each deal and must be placed on the face or on the top of the dispenser used to dispense pull-tabs.
6. The flare must display the winning numbers or symbols for all prizes in the amount of \$5 or more, the manufacturer's name or logo and the cost per play.
7. The pull-tab game must be manufactured by a registered manufacturer, approved by the Department of Revenue for use in the commonwealth and purchased from a licensed distributor.

A **punchboard** must comply with the following:

1. At least 60 percent of the maximum potential gross receipts from the sale of punches in a punchboard must be payable as prizes.
2. A prize on an individual punch may not exceed \$2,000.
3. The flare advertising prizes available from the operation of the punch board must be made by the manufacturer and may only be altered by the eligible organization to indicate that merchandise of equivalent value will substitute for a cash prize.
4. Only one flare may be displayed and must be on the face or on top of the punchboard.
5. The flare must display the winning numbers or symbols for all prizes in the amount of \$5 or more, the manufacturer's name or logo and the cost per play.
6. The punchboard must be manufactured by a registered manufacturer, approved by the Department of Revenue for use in the commonwealth and purchased from a licensed distributor.

Attachment C
Project Authorization

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Project Authorization

It must be noted at the outset that there are two entirely separate tiers of approval requirements that must be satisfied in order to undertake and complete *any* project within the County Parks. The first of these tiers relates to general project authorization, must be completed prior to initiation of any fundraising, contracting or construction activities, and comprises issues of (a) project design and siting, (b) conditional use of County property (if any), and (c) funding considerations. The second tier relates to the County's assumption of ownership of the completed project (assuming that there is some tangible property to be owned as a result of the project). It must be understood at all points that the County is the owner of all existing County property; the Councils of Friends are roughly analogous to contractors insofar as they may recommend that the County undertake various projects within the parks, but they have no inherent authority to undertake any projects on their own without prior approval of the County.

Tier I – General Project Authorization

- A. Project identification. Projects to be pursued must be specifically delineated by the Council of Friends in conjunction with (and subject to the consent and approval of) the Parks Director prior to the initiation of any of the activities delineated below relating to those projects.
- B. Project approval. Council must authorize any conditional use of County property (i.e. anything that allows the exclusive use or alteration of County property, including but not limited to construction, improvement or maintenance) to be undertaken prior to the initiation of the use. Such authorization must be in the form of a validly enacted ordinance. NOTE: this requirement does *not* exist if a particular project is to be constructed, performed, or otherwise undertaken entirely by County personnel or pursuant to a contract to which Allegheny County is a party. Ownership of the completed project, maintenance funding, etc. may all be considered by Council and/or the Parks Director as factors relevant to the decision to authorize a given project prior to Tier I authorization, but doing so does not eliminate the requirement of the Tier II authorization (see below).
- C. If no conditional use authorization is required, the project must still receive approval prior to fundraising for that project. If the project will be subject to acceptance by the Director under the guidelines described in step 6 below, the Director's authorization is all that is required at this time. If the project will require Council's acceptance in step 6 below, the project must receive a preliminary authorization from Council via enactment of either a motion or resolution.
- D. Fundraising specifically for the delineated project by the Council of Friends may begin after approval. If funds are raised for general park improvements (i.e. not for a specifically identified project), then the funds may *only* be expended upon projects for which specific approval has been granted. Funds raised for general purposes may be held pending future project approvals, but in no case may funds be held without attachment to a specific approved project for more than five (5) years from the date of donation.

Construction

- A. Project construction. Costs of the project are paid by the Friends of the Park, either directly or through the Parks Department or Parks Foundation (see the note relating to required compliance with

the Foundation's Project Fund Donation Policy below), subject to approval by the Director and pursuant to any policies and procedures required by the Director or Parks Foundation, as appropriate.

B. Project completion.

Tier II. - Assumption of Ownership

A. Acceptance of completed project by County. If the aggregate project value is under \$10,000 and would not exceed \$100,000 in projects in a single park approved by the Director in that calendar year, the Director can accept the property involved on his own. If **either** of those limits is exceeded, Council must authorize the acceptance of the project via validly enacted ordinance.

Note: The necessary County authorizations will follow the same form for projects to be undertaken with funding processed through the Allegheny County Parks Foundation. That said, with regard to steps I.C. and I.D. above, the mechanics of handling funds to be processed through the Foundation must adhere to the Foundation's Project Fund Donation Policy, included as Attachment E to this handbook.

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Attachment D
Parks Foundation Funding Policy

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Project Fund Donation Policy

2/19/2014

Purpose

To provide procedures for the receipt of donations raised by Friends Group volunteers to construct specifically identified projects within Allegheny County Parks that have received written approval from the Allegheny County Parks Foundation and Allegheny County ("Foundation-Approved Projects").

Donations

1. The Allegheny County Parks Foundation will provide a W-9 when requested by a donor to a Foundation-Approved Project.
2. All donor checks for Foundation-Approved Projects must be made payable to the "Allegheny County Parks Foundation".
3. A donor note must appear on the check or an accompanying letter indicating designation to "Friends of _____ Park, Foundation-Approved Project Fund".
4. Checks must be directed to the Allegheny County Parks Foundation at the following address:

Allegheny County Parks Foundation
675 Old Frankstown Road
Pittsburgh, PA 15239

Management of Donations

1. Donations for Foundation-Approved Projects will be deposited in an Allegheny County Parks Foundation bank account in accordance with the donor's designation.
2. The Allegheny County Parks Foundation will write a letter acknowledging receipt of the donation.
3. Project funds for Foundation-Approved Projects can only be applied to the designated project and will be maintained in an account established for such projects.
4. Foundation-Approved Projects expenses will be satisfied by project funds paid directly by the Allegheny County Parks Foundation to a project vendor or the County.
 - a. Copies of the invoice(s) will be required to remit payment for Foundation-Approved Projects.
 - b. Payments cannot be made directly to a Friends Group.
 - c. Friends Groups are not be eligible for reimbursement in connection with any of their Allegheny County Parks Foundation volunteer activities.