

BAO 2006-0323-0011	Date Issued: 05/22/2006	View Request RQ 2006-0323-0011
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Summary:	Section 2001.458 of the Bingo Enabling Act identifies a number of specific types of expenses that are reasonable or necessary to conduct bingo, one being an expense for "attending a bingo seminar or convention required under section 2001.107 [of the Occupations Code]." Texas Occupations Code § 458.458(a)(10). It is possible that circumstances would arise in which expenses for other types of training would be reasonable or necessary. Expenses for a dinner, however, would not be reasonable or necessary training expenses, and it is not permissible to pay for "training session dinners" from an organization's bingo account.
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CERTIFIED MAIL NO. 7001 2510 0001 4202 4593

BAO # 2006-0323-0011

May 22, 2006

Elgin Kneuper, Primary Operator
New Braunfels, Aerie No. 2999
Fraternal Order of Eagles
P.O. Box 311156
New Braunfels, Texas 78130

Re: Use of Bingo Funds

Dear Mr. Kneuper:

This advisory opinion responds to your request which was received by the Texas Lottery Commission (Commission) on March 23, 2006. Below is your request, followed by the Commission's response.

Please advise if it is legal to pay for "Training Session Dinners" from our bingo funds and classify it as bingo expense. These sessions would provide us with the opportunity to discuss, with our workers, ways to improve our operations, and update them on bingo laws. If this is authorized, then also advise how often these meetings can be held in any one year.

RESPONSE:

An expense may be incurred or paid in connection with the conduct of bingo only if the expense is reasonable or necessary to conduct bingo. Texas Occupations Code, Section 2001.458. Section 2001.458 identifies a number of specific types of expenses that are reasonable or necessary to conduct bingo. One permissible type of expense is an expense for "attending a bingo seminar or convention required under section 2001.107 [of the

Occupations Code]." Texas Occupations Code § 458.458(a)(10). It is possible that circumstances would arise in which expenses for other types of training would be reasonable or necessary. Expenses for a dinner, however, would not be reasonable or necessary training expenses. Therefore, in response to your specific question, it is not permissible to pay for "training session dinners" from an organization's bingo account.

SUMMARY

Section 2001.458 of the Bingo Enabling Act identifies a number of specific types of expenses that are reasonable or necessary to conduct bingo, one being an expense for "attending a bingo seminar or convention required under section 2001.107 [of the Occupations Code]." Texas Occupations Code § 458.458(a)(10). It is possible that circumstances would arise in which expenses for other types of training would be reasonable or necessary. Expenses for a dinner, however, would not be reasonable or necessary training expenses, and it is not permissible to pay for "training session dinners" from an organization's bingo account.

This advisory opinion cannot be construed as a tax ruling or otherwise interpretive of the Internal Revenue Code. The information provided is completely limited to the context of the Bingo Enabling Act and the Charitable Bingo Administrative Rules.

This advisory opinion is based on the laws, rules and regulations in effect at the time of its issuance. All of the information provided herein is subject to change in law.

This opinion is purely advisory in nature and is limited to the particular questions at issue and to the facts presented in the request. Therefore, this opinion must not be relied upon as a previous determination regarding any conduct which is not substantially consistent with the opinions and facts stated in the request.

Yours truly,

William L. Atkins, Director
Charitable Bingo Operations Division

cc: C. Tom Clowe, Jr., Chairman
James A. Cox, Jr., Commissioner
Kimberly L. Kiplin, General Counsel

