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RETURN RECEIPT REQUESTED

BAO # 2007-1220-0008

March 8, 2007

Mr. Jeffrey L. Minch
President, CEO
Littlefield Corporation
2501 North Lamar Blvd.
Austin, Texas 78705

Re: Bingo Equipment and Supplies

Dear Mr. Minch:

This advisory opinion responds to your request received on January 12, 2007, and supplemental information received on January 30, 2007. You ask whether there is anything in the current rules pertaining to charitable bingo which would preclude the formation of a purchasing cooperative (co-op) by a group of charities.

You provided the following description of the purchasing co-op:

A group of charities (ten or more) desires to form a purchasing cooperative. The objective of the purchasing co-op is to harness the collective purchasing power of the charities to achieve cost savings in the acquisition of bingo paper, electronics, and bingo equipment. This will be done by writing bid specs, soliciting bids from licensed distributors, evaluating bids received and individually awarding contracts or purchase orders to acquire goods and services.

You also stated that all of the organizations in the co-op are licensed authorized organizations.

ANSWER:

Neither the Bingo Enabling Act nor the Charitable Bingo Administrative Rules precludes a group of charities from forming a purchasing co-op for the limited purpose of writing bid specifications and soliciting and evaluating bids received from licensed distributors. If the co-op wishes to share authorized expenses and inventory related to bingo operations, it must comply with the provisions of the Bingo Enabling Act and Charitable Bingo Administrative Rules pertaining to unit accounting.

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,

Philip D. Sanderson, Assistant Director
Charitable Bingo Operations Division

cc: James A. Cox, Jr., Chairman
C. Tom Clowe, Jr., Commissioner
Anthony J. Sadberry, Executive Director
Kimberly L. Kiplin, General Counsel