

TRADITIONAL RETAILER HANDBOOK



An Introductory Guide to Becoming
a Traditional Lottery Retailer

**This Booklet Contains Instructions, Terms and Conditions, and Forms Needed
To Become a West Virginia Lottery Traditional Retailer**

The application process:

Applications can be obtained from the WV Lottery website at www.wvlottery.com. Once on the website, go to Customer Service then scroll down and select Licensing. You should see the Traditional Retailer Application on the lower right side of the screen. The application can be downloaded or printed. Applications are also available by visiting WV Lottery Headquarters in Charleston, West Virginia by calling the WV Lottery Licensing Division at 304.558.0500 or 1.800.982.2274 ext. 238.

Complete the application in its entirety, make sure to follow the instructions provided with the application packet. The completed application and the \$325 application fee or the \$75 Change of Ownership application fee can be mailed or returned in person to the WV Lottery headquarters building located at 900 Pennsylvania Avenue, Charleston, WV 25302. The completed application and fee can also be mailed to the WV Lottery Licensing Division, P.O. Box 2067, Charleston, WV 25327-2067. Before submitting the application, make sure you satisfy the following requirements to be submitted with the application:

- A business registration certificate with the WV Secretary of State's office. You may contact the WV Secretary of State's office at 304.558.8000 for questions concerning their registration requirements.
- A Workers' Compensation policy or the exemption form in the application showing the effective dates.
- Registration with the Unemployment Division of Workforce WV. You may contact Workforce WV at 304.558.2451. To register, contact their Status Determination Unit at 304.558.2677.
- A copy of your WV Business Registration Certificate issued by the WV State Tax Department. You may contact the WV State Tax Department at 304.558.8651.

How much does it cost to be a Traditional Lottery Retailer?

The initial application fee is \$325, unless submitting a change of ownership application which is a \$75 fee. Annual renewal fees are also \$5. The communication fee is assessed on a weekly basis after one year as a Lottery Retailer. The WV Lottery accepts the following forms of payment; including certified check, cashier's check, business check or money order. The WV Lottery also accepts credit/debit card and automated clearinghouse (ACH) payments made securely on the WV Lottery website. To pay online, please go to www.wvlottery.com and once there, select "Customer Service" at the top of the home page, then scroll down and select "Licensing", once on the Licensing page you will see the online payment options on the upper right side.

Fingerprints, background checks and criminal offenses:

Each individual associated with an application is required to be fingerprinted for a criminal background check. The WV Lottery requires their own set of fingerprints for licensing purposes.

- *Two Hard Cards *2* sets of Fingerprint Cards are required – Please be aware that fingerprints must be of good quality or you may be required to be reprinted.*

Fingerprints may be completed at one of the following locations:

- WV Lottery Headquarters in Charleston, Monday through Friday, from 9:00am-4:00pm. Request the assistance of the Security Division upon entrance to the 1st floor of Headquarters.
- Your local Law Enforcement Agency. Complete and submit (2) Fingerprint Cards to the Security Division with a completed Fingerprint Information Release Form.
- “IdentoGO by MorphoTrust.” Request Fingerprint Cards and ensure the fingerprints are not sent to the WV Lottery Division electronically.
 - Once Fingerprint Cards are completed at IdentoGO, please provide them to the Licensing Division with a completed Fingerprint Information Release Form.
 - If IdentoGO requests a “Code,” this is not necessary for Fingerprint Cards. Please specify to IdentoGO, you are requesting the actual Fingerprint Cards be printed.

Incomplete applications:

An incomplete application is an application that fails to include one or more of the required elements for licensure:

- A. Fingerprint information.
- B. All lottery forms completely filled in.
- C. Payment of the non-refundable fee for licensure.
- D. Workers' Compensation Declaration Sheet or Exemption Form
- E. Business Registration Certificate

In the event the Licensing Division receives an incomplete application, the applicant will be notified in writing of the deficiencies and shall have ninety (90) calendar days to submit the missing or incomplete information. Information received after the stated deadline will not be considered and may result in the disqualification of the application.

Can I employ individuals under age 21?

Yes, however; employees must be 18 to sell and cash instant and draw games.

Age Requirements:

An owner of a licensed traditional establishment must be at least 21 years of age. No licensed Lottery sales agent or Lottery retailer shall sell a ticket to any person under the age of 18.

What if my address changes due to 911?

There is no fee for an address change. You will need to complete the 911 Address Change form and submit it to the Lottery. Upon receipt the address will be updated.

What happens next?

Upon receipt by the Licensing Division, the application will be reviewed to ensure that all forms have been properly completed and returned and that the application fee has been paid. If everything is complete, the Licensing Division will begin to process the application. This involves verifying information contained in the application; West Virginia Tax Certificate, Secretary of State registration, Workers' Compensation and Unemployment.

What is a Chain Head and Chain Subordinate Retailer?

A Chain Head is a retailer who owns several other Lottery retailer locations and shares the same FEIN. A Chain Subordinate is a retailer who belongs to a Chain Head that has the same FEIN.

Are Chain Head and Chain Subordinate Retailers Treated any differently than an independent Retailer?

Yes, Chain Head and Chain Subordinate Retailers have the ability to see all of their sales reports at the same time. Independent reports only show sales data for one location.

Who do I send my new EFT Authorization Form to?

You can send your new EFT Authorization Form to the WV Lottery Licensing Department. We will make sure the form is recorded and sent to the WV Treasurers Office.

How long does the Application Process normally take?

The licensing process normally takes a month for completion. The licensing process can take longer if the application is not fully completed with all required documentation included upon submission.

When should I look to renew my license each year and what do I need to submit?

The renewal period begins in March and ends June 30th. You will need to submit the renewal form and be in compliance with the WV Tax Department, Secretary of State, Workers' Compensation, and the Office of Unemployment Compensation.

What do I do about my license and equipment if I intend to remodel my location?

If you intend to remodel your location inform your Field Service Rep and the Licensing Department at least one week prior. We can verify if your equipment will need to be removed and, if your License will need to be inactivated until the remodel is complete. Please do not move the equipment. A technician will be sent to your location to move the equipment.

How do I get the equipment removed from my location and the automatic sweeps to stop billing my location due to a closing?

You will need to submit the Surrender Form dated for the date you intend to close. If the form is received after the date on the form, the license will be inactivated on the next possible date. Your Field Service Representative will pick up your instant tickets 1-2 days prior to the closing date.

What do I need to do if I am relocating my business?

There is no fee for a relocation of equipment. You will need to complete the Change of Location Form and your new location will be submitted for a Site Survey. After the Site Survey, the equipment will be relocated to your new location.

Instant Tickets:

A traditional retailer is responsible for the purchase of instant tickets. Retailers may be put on a monthly allocation, they may order from tel-sell, and/or they may receive tickets from their Lottery sales representative.

The Lottery provides monthly GAME MENUS to assist the retailers and sales representatives. Once the retailer receives their ticket order, activates a pack of tickets, they will be invoiced 21 days later for the pack amount (less 7% to account for their selling bonus). For example, \$1 instant tickets have 200 tickets total in a pack: when a retailer orders 1 pack of \$1 instant tickets, they are only charged \$186.00.

Instant Ticket Status:

Instant tickets are ISSUED to the retailer at the time the order is filled at the warehouse for shipment. The order must be CONFIRMED by the retail location upon receipt. The retailer ACTIVATES a pack to begin selling and then 21 days later the pack will SETTLE. If the retailer does not activate the tickets, it may result in a winning ticket not being able to be validated.

When an instant ticket pack is SETTLED, it is invoiced to the retailer the following Saturday and the account is swept by the Lottery the following Wednesday.

Invoices and Billing:

Online sales generated Sunday through Saturday will appear on the invoice that Saturday night and will be swept the following Wednesday. Online credits, instant credits, validations, commissions, and cashing bonuses appear on the invoice of the week that the transactions occurred (Saturday) and will be swept the following Wednesday.

Selling and Cashing Bonus:

Retailers receive 7% sales commission on both instant and on-line (draw) games. The instant ticket commission is backed out of the order total as described above. Retailers also receive a 1% selling bonus for selling a winning ticket over \$500. For example, if a retailer sells the Powerball winning ticket, they can receive 1% of the ticket winnings. *This 1% bonus for the retailer is capped at \$100,000.

Retailers must cash instant and draw game tickets up to and including winnings of \$600. Retailers receive 1% cashing bonus for all validations (instant and draw game cashes). For example, if a retailer pays out \$500 on a winning Lottery ticket, they will be reimbursed the \$500 + \$5.

What is WV Instant Ticket Return Policy?

Retailers are permitted to return partial and full packs prior to the Game End +30 days. Once a game is ended, the Lottery provides the retailer 30 days from the Game End to return unopened packs. For games that have an associated second-chance drawing, the Lottery accepts opened, partial packs. Beginning in 2017, the Lottery started accepting opened, partial pack returns. Each month the Lottery designates games that should be returned by the Lottery sales representative. These games are listed on the Game menu and other retailer communications.

May I borrow terminal paper from another retailer location if I run out?

No. Terminal paper is specifically assigned to each retail location for security purposes and may not be loaned or borrowed between Lottery Retailers.

What are the specific times for selling and redeeming tickets?

The WV Lottery terminals are down from 4am- 5am. A retailer may sell & redeem tickets anytime outside of that 1 hour window. There are certain circumstances where maintenance/ upgrades will occur on the system and the terminal will be down for a longer period of time. In those cases, the WV Lottery notifies and details the down time through a pushed terminal message to each retailer.

How do I order more terminal paper?

Stores are automatically put on a schedule to receive terminal paper based on sales/usage. If a store is in need, they may order the terminal paper by calling 1-888-987-5297.

What if my questions have not been fully answered?

If you have questions that have not been answered by this handbook, please feel free to contact the WV Lottery. If your questions are related to licensing, contact Madeline Register in the Licensing Division at 304.558.0500 Ext. 238 or Elizabeth Webb, Deputy Director of Licensing, at 304.558.0500 Ext. 213. We will be happy to answer your questions and work with you to resolve any issues or concerns.

What Lottery equipment is provided?

A terminal, display unit and printer will be provided to all retailers. Additional equipment is provided on a case-by-case basis. The Lottery maintains the equipment and provides the "ticket stock" for printing draw games. If you are interested in additional specific equipment you should contact the WV Lottery Retailer Relations during the application process to ensure it can be provided. A technician will visit your store to perform a site survey to verify setup location, power, etc. Once your equipment is installed your Field Representative will issue ticket dispensers and tickets.

What is the NSF policy on weekly sweeps?

If a retailer's weekly sweep is returned for non-payment, they will be charged a \$35 NSF fee and interest will accrue until paid in full on each occurrence. The Lottery policy based on a rolling 52-week basis is as follows:

- A. First occurrence results in no penalty
- B. Second occurrence \$50 penalty
- C. Third occurrence \$100 penalty
- D. Fourth occurrence will result in immediate cessation of all Lottery activity, removal of all Lottery equipment and revocation of Lottery license.