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Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

AGENDA

IOWA LOTTERY BOARD

June 29, 2021
10:30 am

Dial In: 515-206-9299

(No PIN # is required to join the call)

- I. Call to Order
 - a. Approval of Agenda
 - b. Approval of Minutes – March 30, 2021
- II. CEO Update
- III. Quarterly Reports
 - a. Sales and Marketing
 - b. Security
 - c. IT Systems
 - d. External Relations
 - e. Financial
- IV. FY22 Budget
- V. Contract
 - a. Emory Industrial Services
- VI. Administrative Rule
- VII. Lucky for Life
 - a. Game Changes
 - b. Game Rules
- VIII. Powerball
 - a. Game Changes
 - b. Game Rules
- IX. Fiscal Policy Update
- X. Membership Approval Policy
- XI. FY22 Key Employee Pay Plan/Compensation
- XII. Election of Officers
- XIII. Adjournment

If you require the assistance of auxiliary aids or services to participate in or attend the meeting because of a disability please call our ADA coordinator at 515-725-7864, or if you are hearing impaired, call Relay TTY at 1-800-735-2942.

MINUTES

IOWA LOTTERY BOARD

March 30, 2021

10:30 a.m.

The Iowa Lottery Board convened at 10:30 a.m. via conference call; Board Chairperson Sherrae Hanson presiding.

Board Members Present on Teleconference:

Sherrae Hanson, John Quinn, Josh Cook, Mary Rathje, Mary Junge, Hon. Michael Fitzgerald.

Board Members Absent:

None.

Lottery Staff Participating:

Matt Strawn, CEO; Larry Loss, COO; Michael Conroy, VP, Finance; Teri Wood, VP, Sales and Marketing; Cam Coppess, VP, Security; Mary Neubauer, VP, External Relations; Hale Strasser, VP, IT Systems; Megan Tooker, VP, Legal Counsel; David Ranscht, AAG; Deb Bassett, Board Secretary.

Others Present on Conference Call:

John Schreurs, Strategic America.

CALL TO ORDER

Chairperson Hanson called the meeting to order at 10:30 a.m. and roll was taken. There was a quorum. Hanson announced the meeting would be held via teleconference in accordance with Iowa Code section 21.8.

Rathje moved to conduct the meeting via teleconference. Cook seconded. Motion carried unanimously.

APPROVAL OF AGENDA

Junge moved to approve the agenda for the meeting. Rathje seconded. Motion carried unanimously.

APPROVAL OF MINUTES

Cook moved to approve the December 15, 2020 board meeting minutes. Quinn seconded. Motion carried unanimously.

CEO UPDATE

Strawn expressed his hope that the next time the board meets, it can be done safely in person at lottery HQ. As vaccination rates continue to rise across the state, a number of lottery operations in the field are returning to more traditional patterns, such as complete retailer servicing schedules by district sales representatives and regular in-store compliance checks conducted by investigators. At Lottery headquarters, more staff are returning to the office on a staggered schedule. COVID mitigation procedures are still in place for the foreseeable future.

Strawn stated through the first eight months of fiscal year 2021, the lottery is on pace to significantly exceed budget projections for total lottery sales and proceeds. Figures through February 2021 indicate

that total lottery sales for the FY21 are \$292.8M, which is 24.68% ahead of budgeted sales, and 24.57% ahead of last year's actual sales; and total proceeds are \$69.2M which is 24.79% ahead of last year's pace, and 43.55% ahead of budgeted projections.

Strawn said nearly all lottery product categories have seen year-over-year lift in sales performance and shared a brief update focusing on two core products in the lottery's portfolio that best illustrate the big-picture market forces effecting lottery products: scratch tickets and national lotto games.

Strawn stated scratch ticket sales in Iowa, which have set annual records each year since FY 2015, are on track to do so again this fiscal year. Through February, over \$200M in scratch tickets have been sold, with growth seen across all price points. This represents a 22.5% year-over-year increase to-date in scratch ticket sales.

Boosted by jackpots in Powerball and Mega Millions simultaneously topping the \$700 million mark in January, sales in both national lotto games are out-pacing last year's results. Powerball sales are up 19.49% over last year, while Mega Millions sales are up over 50%.

Strawn cautioned that, notwithstanding the positive year-over-year performance, the challenges that faced both games before the onset of the COVID-19 public health emergency remain a long-term concern. This includes factors such as jackpot fatigue and slower building jackpots, which have the unfortunate effect of working in tandem to soften lotto sales. While quantitative data is elusive, experience and anecdotal reports from lottery retailers and players indicate that Iowans found lottery tickets to be a safe and enjoyable entertainment option as people spent a lot more time at home during the past year; which may have resulted in re-introducing lottery products to some folks.

As vaccination rates continue to climb and Iowans return to concerts, festivals, ball games and vacations, the lottery anticipates there will be more competition for discretionary entertainment spending. So it is prudent to expect a return to more modest lottery sales growth as more businesses fully re-open and consumer behavior begins to normalize.

Strawn expressed confidence in the lottery team's ability to remain nimble and pivot as consumer behavior evolves so that games, prizes and promotional offerings remain relevant to Iowans.

QUARTERLY REPORTS

Financial:

Conroy gave a financial report. The performance measures show total sales through February 2021 are \$292.8M which is \$57M ahead of budget and ahead of the 5 year average by \$51M. Prizes paid to players through February 2021 are \$184M which is \$42.3M ahead of budget and ahead of 5 year average \$36.3M.

Operating expenses through February 2021 are \$8.6M which is \$1.5M under budget and ahead of the 5 year average by \$17K. Total proceeds through February 2021 are \$69.2M which is \$20.9M ahead of budget and ahead of the 5 year average by \$12.6M

Sales and Marketing:

Wood gave a Sales and Marketing report. Sales for January and February performed above expectations.

In January, Powerball made it all the way to 731.1M before being won in Maryland. Mega Millions once again exceeded a billion-dollar jackpot coming in at a whopping \$105B before being claimed by a 4-

member lottery club in Michigan. For the first time since January 2016, the lottery exceeded sales of \$50M in one month - totaling \$54M. High jackpot awareness impacts the sale of other products as players tend to add on to their purchase. January instant ticket sales reached a new record monthly high of \$28.9M.

During February, instant ticket sales continued to be very strong at 4.6M over budget, which is a 22% increase over the previous February.

Wood stated the big holiday promotion, Winner Wonderland, was the largest holiday cash promotion ever at \$640K. Holiday ticket sales were strong with a 17% increase over last year's holiday promotion. The Winner Wonderland promotion exceeded projected sales goals by \$3.8M. The increase was attributed to offering big cash prizes and the introduction of 2 new games at 2 new price points - a \$2 holiday crossword scratch game and a \$20 round die-cut Holiday Wishes game that resembled a wreath.

Wood stated that in January, as Winner Wonderland was ending, a 60 day promotion launched which featured the \$10 The Cash Game which was printed on disposable and recyclable clear resin material. This was the first time Iowa has offered a clear ticket. This Play It Again promotion via the Prize Zone portal earned \$4M in revenue and received 58,167 entries into the promotion.

In March, in preparation for a significant VIP Club engagement campaign, the marketing team has been busy developing a multi-media plan focused on creating awareness of the VIP Club, its features and the benefits of being a member.

Wood said the marketing team is also busy planning the June – September promotional offerings; with more information coming after all the details are finalized.

Security:

Copess gave the security report. Copess stated that a 2020 pull tab investigation noted on the March 30th security report indicates that 7 subjects were identified and charged in the case; the report is amended to indicate only 6 subjects were charged. Prosecution is pending.

Copess indicated the report is a snapshot of the Security team's workload a year ago compared to the current quarter ending March 15, 2021. Theft was up in the first quarter of last year, and that is attributable to the pull tab case that had over 20 incidents of altered tickets.

Copess stated that looking at customer assists and ticket reconstructions, those are areas that are closely related. What we've seen is while people were isolated and ticket sales have gone up, which would indicate new players. These new players may have more questions when redeeming tickets as they are not sure of the process. Those questions create calls that then come to Security and we try to help answer the questions and reassure the customer that they were given the right prize.

Some categories have seen a decrease in cases, which may be attributable to isolation as a mitigation step to keep the COVID virus from spreading during the pandemic. So some types of crimes maybe have been put on the back burner until they can be addressed in a safer manner.

IT Systems:

Strasser gave an update on the new central gaming system. Testing of the new system will occur in two phases. Phase 1 started in February to begin testing the new retailer terminals on the existing test central system. We have generated 13,292 lotto and InstaPlay tickets of various game combinations and options,

conducted test drawings, ran validations of test tickets, ran various play slip combinations, scanned barcodes, abusing ticket printers, verifying Jackpot sign updates, etc. We have rolled through 37 days on the test system and cashed 1,844 winning tickets totaling nearly \$120M in test winnings. Along the way, we have found several small issues that have been fixed by the vendor. We expect Phase 1 testing to conclude by early next week. Phase 2 testing will begin in mid-April and will allow us to verify the new retailer terminals functionality using the new central gaming system. We expect Phase 2 testing to wrap up just before system conversion and go-live on August 22.

Strasser reported during the first week of May, Scientific Games will begin the replacement of 2,400+ retailer terminals with the new retailer terminals that we have been verifying during Phase 1. We expect the new terminal rollout to be completed statewide by the end of July.

Strasser stated in past gaming system conversions, the vendor would send staff to Iowa to work side by side with Iowa Lottery staff to step through requirements, gather training materials and plans, and conduct other miscellaneous document review and systems testing. In the COVID environment, all of these collaboration meetings have been virtual. There are daily testing meetings with the vendor to review new issues found during testing, and to communicate status of open issues.

External Relations:

Neubauer gave an External Relations report focused on the issue of Responsible Play. Neubauer stated the lottery prints messages about the state's problem gambling helpline on tickets, brochures, point-of-sale materials and other materials throughout the year, in addition to featuring the information on the lottery website.

Additionally, each March, the lottery works with the Problem Gambling Services Program at the Iowa Department of Public Health on a public-service campaign to highlight the issue and the help available for those who are struggling. This is part of efforts across the country to highlight March as National Problem Gambling Awareness Month.

Neubauer stated Board members were sent a link to the 30-second PSA that has been airing statewide throughout the past month. The External Relations staff developed the PSA in house. Teri Wood and her marketing team then worked with Bucket Media for placement of the ad throughout the state. The campaign began on Sunday, February 28; radio, broadcast television and cable company partners have aired the PSA more than 7,900 times during March. The PSA has also ran on streaming-media platforms, achieving more than 150,000 estimated impressions. The statewide media schedule represents a value of more than \$290,000 in equivalent ad space for the PSA.

Neubauer noted the Iowa Lottery received placement for the message around the state on 42 digital outdoor billboards located in the greater Des Moines area, Cedar Rapids, Cedar Falls, Evansdale, Waterloo, Council Bluffs, Davenport, Dubuque, Fort Dodge, Marshalltown, Mason City, and Sioux City. The value of the billboard space for the PSA is an additional \$20,620. The combined total media value for this year's statewide public awareness campaign totals more than \$312,000, and is the highest total achieved for this awareness month effort.

Additionally the lottery also produced hard-copy table tents that sales representatives distributed this month in the 2,400 retail locations where Iowa Lottery tickets are sold.

Neubauer stated she also has had the opportunity to speak directly with treatment providers across the state as a presenter as part of a virtual webinar with about 100 counselors and treatment-organization

staffers. During the webinar, attendees learned about the lottery's efforts throughout the year to highlight the help available in Iowa for problem gambling.

Neubauer stated she will be speaking to that group again about the Iowa Lottery's self-exclusion program.

Junge moved to approve the Quarterly Reports. Cook seconded. Motion carried unanimously.

MEMBERSHIP DUES

Loss stated that for many years, the Lottery has been a member of the Iowa Grocery Industry Association (IGIA), FUELlowa, the North American Association of State & Provincial Lotteries (NASPL) and the World Lottery Association (WLA). At the December 15, 2020 board meeting, the Board approved the 2021 membership dues for NASPL.

At this meeting, the Lottery is asking for Board approval to continue membership in IGIA, FUELlowa, and WLA.

Membership in IGIA events and activities has led to greater cooperation between the lottery and retailers. IGIA represents the interests of a majority of lottery retailer outlets. Membership enables the lottery to keep up to date on convenience and grocery store industry trends and concerns.

ILA staff recommends approval of the IGIA \$500 membership dues.

Again, this year, the Iowa Lottery is seeking approval to participate as a business associate member of FUELlowa. Membership in retailer industry events has led to stronger bonds of cooperation between the lottery and convenience store retailers. Convenience stores are the lottery's largest retailer trade type.

ILA staff recommends approval of the FUELlowa \$688 membership dues.

Staff further supports approval of membership in WLA. Through membership in WLA, the lottery has access to educational information and training seminars, current trends and issues, security information and the opportunity to learn from and interact with lotteries around the world. As with other ventures, lottery industry problems and opportunities are not constrained or defined by international borders.

Loss stated that due to WLA relocating its headquarters, we do not have an invoice at this time. We anticipate receiving the invoice in April. In preparation, we have confirmed that the annual membership rate will remain 5,600 Swiss Francs.

ILA staff recommends approval of the WLA 5,600 Swiss Francs - approximately \$6,056 at the monetary exchange rate when this document was prepared - membership dues.

The membership dues for all of the organizations are the same amount as last year. We are asking for the Board's approval to continue our memberships in these associations.

Quinn moved to approve the membership dues. Rathje seconded. Motion carried unanimously.

CONTRACT EXTENSIONS

Wood stated the Iowa Lottery issued IL 18-02 Request for Proposal, Advertising and Related Services, on January 24, 2018. The purpose of this RFP was to solicit proposals from qualified vendors to assist the

Iowa Lottery in its brand building and strategic marketing efforts. The RFP sought solicitations for both advertising/creative services and for media services. At its May 2018 meeting, the Iowa Lottery Board approved an award to Strategic America for the advertising/creative contract and to Bucket Media Company for the media services contract.

Both these contracts commenced on July 1, 2018, with an original 2-year term through 2020, and the option to extend four (4) additional one-year contract periods beyond the original terms.

At the board meeting on March 24, 2020 the Iowa Lottery Board approved the request to exercise the first of four available extensions of the advertising/creative agreement with Strategic America and the media services agreement with Bucket Media Company, making the term run through June 30, 2021.

Strategic America and Bucket Media Company have proven to be capable business partners, and their assistance has been a factor in the Iowa Lottery's success. The Iowa Lottery seeks to exercise the second extension period available under each of these agreements, so that the parties can continue to work together to achieve great results for Iowans.

Recommendation: The Iowa Lottery requests that the Board approve the exercise of the second of four available extensions of the advertising/creative agreement with Strategic America and the media services agreement with Bucket Media Company, making the term run through June 30, 2022.

Cook moved to approve the contract extensions. Junge seconded. Motion carried unanimously.

ADJOURNMENT

Rathje moved to adjourn. Quinn seconded. Motion carried unanimously.

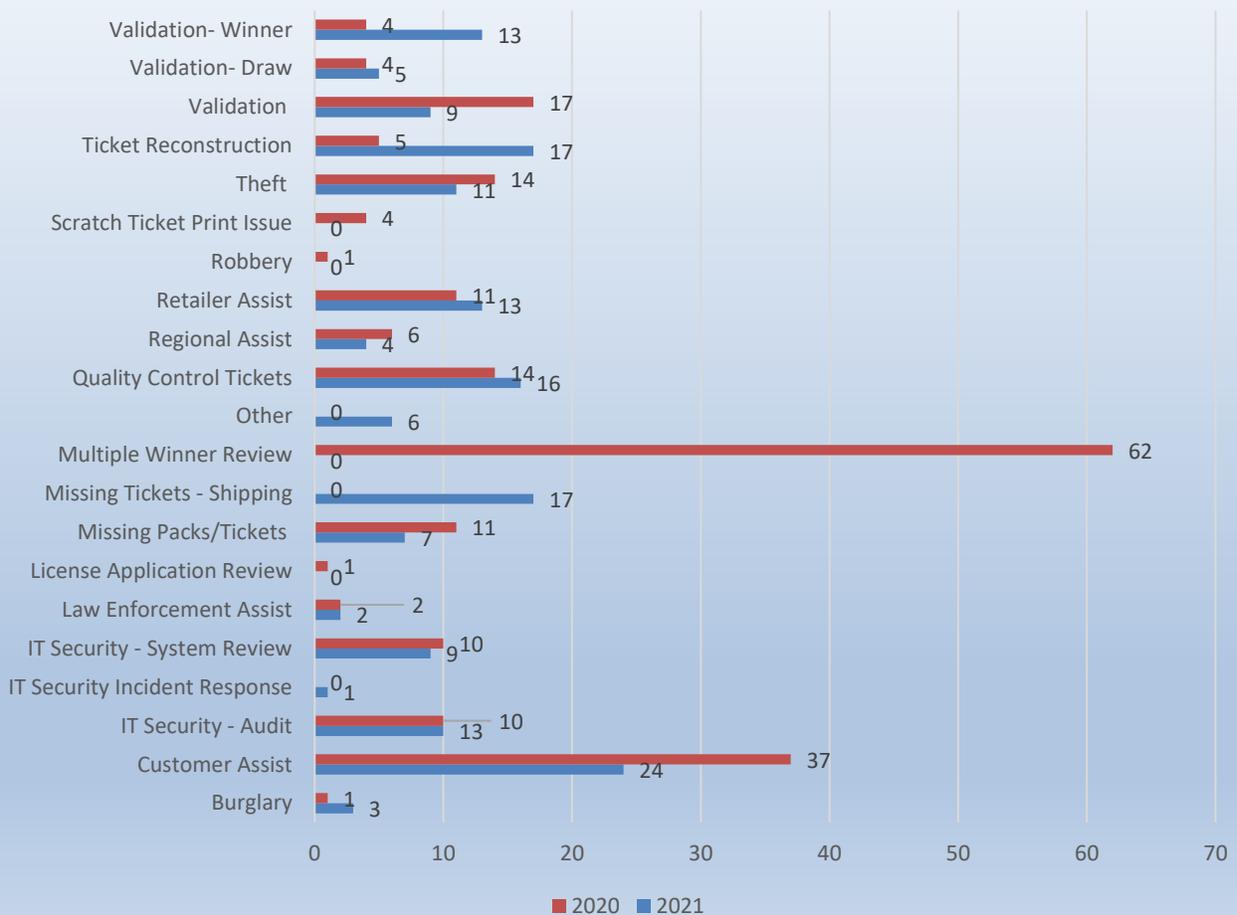
Meeting adjourned at 11:13 a.m.



Board Report Security Division June 29, 2021

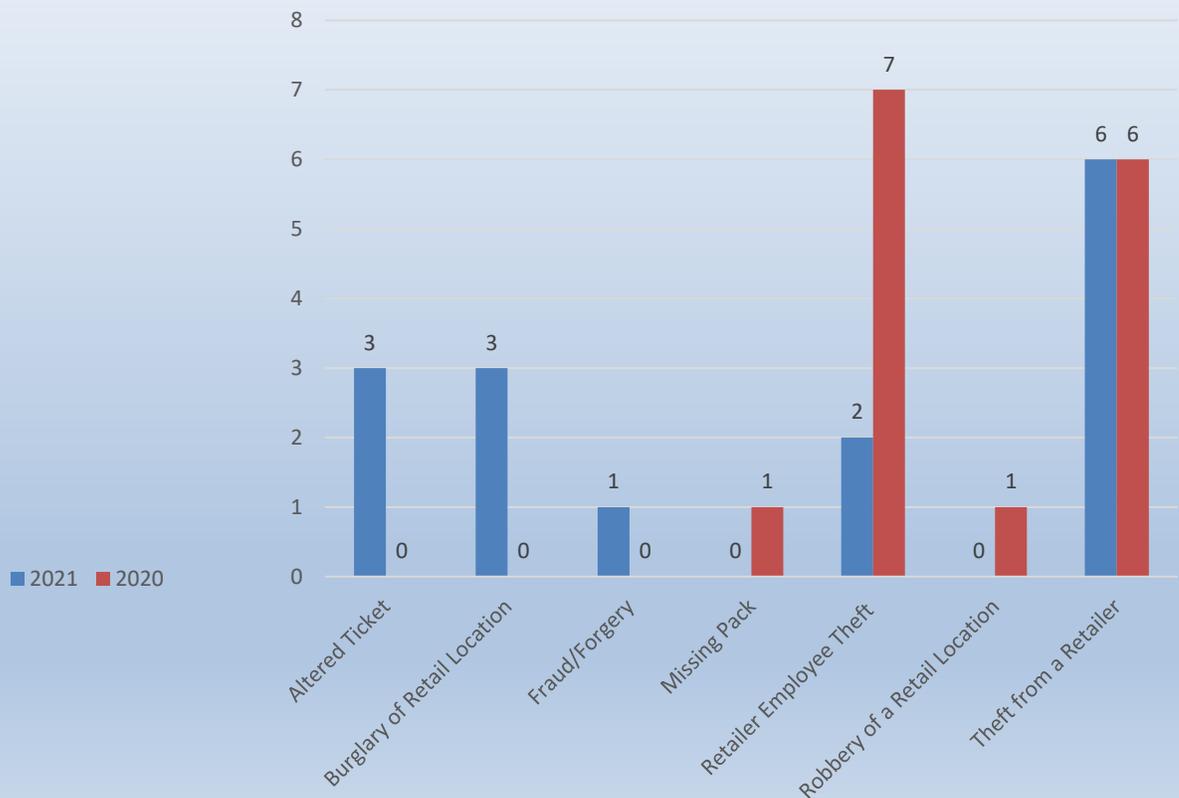


Record of Contacts 2nd Quarter 2020 Compared to 2nd Quarter 2021



Multiple Winner Review is a report run by Security to evaluate if there is the possibility that a repeat winner may be accumulating their winnings in some other manner than legitimate lottery play. In 2020 we changed the process and reduced the number of reviews assigned to investigators. In 2021 we completed these reviews in the first quarter.

Comparison of Cases 2nd Quarter 2020 to 2nd Quarter 2021



Other Duties and Activities;

- Drawing and Winner Validation for promotional drawings
- Conducted **342** compliance/inspection checks, total of **576** for FY to date
- Assist with ticket validation and the claim process to ensure players received their winnings
- Peace Officer instruction about Lottery Code 99G and Lottery Security Processes at all entry-level Iowa Law Enforcement Academies, **29** officers trained in Regional Academy classes



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To: Iowa Lottery Board

Date: June 2021

From: Mary Neubauer, VP-External Relations

External Relations Report

This quarterly report focuses on major lottery-related developments from the 2021 session of the Iowa Legislature.

CEO Re-Appointment: Matt Strawn was confirmed for a four-year term as Iowa Lottery CEO that began May 1. The Governor's Office nominated Matt in March for re-appointment as CEO, and his nomination was ultimately included on the Senate's en bloc confirmation calendar. The Iowa Senate voted 47-0 on April 28 to approve the portion of the calendar that included his name.

Lottery Security Legislation: The security-focused legislation filed by the Iowa Lottery was signed into law on May 10 after passing both the Iowa House and Senate.

The Iowa House passed the bill with an amendment on April 7, and that version of the proposal was then approved April 21 by the Iowa Senate. The lottery was supportive of the amendment language.

The amendment to the bill focuses the penalty involved for attempting to evade the state's Income Offset Program on the person passing a lottery ticket to avoid an offset. The penalty is specific to the amount that would have been offset, with potential charges ranging from a serious misdemeanor up to a Class C felony. In some instances, the penalty involved would be less than that proposed in the lottery's original legislation; one level would be the same; and in the case of those passing a lottery ticket to avoid the very largest offsets, the penalty would be larger.

Here are two examples to help illustrate the penalties involved: A.) Someone with a debt of \$5,000 in the Income Offset Program wins a \$2,000 lottery prize, but passes the ticket in an attempt to avoid paying the debt. In that instance, the amount that would have been offset is \$2,000, and the penalty would be keyed from that amount. B.) Someone with a debt of \$500 in the Income Offset Program wins a \$5,000 prize and passes the ticket in an attempt to avoid paying the debt. In that instance, the amount that would have been offset is \$500, and that is the amount from which the penalty would be keyed.

The Iowa Lottery is pleased with the passage of this legislation designed to help protect the security and integrity of its operations and games.

New Use For Lottery Proceeds As Another Is Ending: Legislation also was passed this year that created a new use for Iowa Lottery proceeds. In addition to the proceeds dedicated each

year to the Public Safety Survivor Benefits Fund, a portion of annual lottery proceeds is also now dedicated to the new Department of Corrections Survivor Benefits Fund.

In both instances, lottery proceeds help with the cost of accident or health insurance for the families of those killed in the line of duty. In the case of the Public Safety fund, it helps the families of fallen peace officers and fire fighters. With the Corrections fund, it helps the families of corrections employees killed in the line of duty.

Legislation signed into law June 8 created the newest survivor benefits fund. Under the law, \$100,000 in annual lottery proceeds are dedicated to the Corrections fund, the same amount dedicated each year to the Public Safety fund.

The issue involved has come to light when public safety and corrections employees are killed while doing their jobs. If that person provided the health or accident insurance for their family, the family can then lose insurance coverage in addition to the death of their loved one.

The Survivor Benefits Funds provide grants to nonprofit organizations that help the families pay for the costs of their ongoing insurance coverage.

The lottery's website will be updated at the end of this month to provide details about this new beneficiary of lottery proceeds. At the same time, the details about lottery proceeds being linked to the Vision Iowa program will be removed, as the bonds for that program were paid off in fiscal year 2021. With the bond debt cleared, the legislative language linking lottery proceeds to the Vision Iowa program has expired.

The lottery's hard-copy materials will be updated during their next printings to reflect the proceeds changes.

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2020
May 31, 2021

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2021	27,772,000	27,953,000	25,424,000	31,328,500	26,772,000	29,323,000	36,479,500	29,870,500	33,188,500	29,115,500	30,819,500	27,807,000
	Actual '21	35,877,538	32,785,001	31,506,897	34,353,991	32,731,982	36,906,837	54,318,023	34,416,873	40,320,964	42,376,935	41,588,709	-
Prize Expense	Budget FY 2021	16,816,277	16,896,090	15,470,753	18,637,975	16,412,482	17,886,699	21,734,005	18,166,822	20,210,922	17,979,455	18,831,663	16,957,580
	Actual '21	22,153,996	20,849,533	20,674,330	22,370,618	20,496,799	24,004,205	33,337,154	20,531,035	27,590,811	27,743,840	26,112,404	-
Operating Expenses	Budget FY 2021	1,320,537	1,232,134	1,272,793	1,285,539	1,246,693	1,345,992	1,244,642	1,193,006	1,331,215	1,268,539	1,282,156	1,353,173
	Actual '21	1,057,133	1,062,290	1,128,016	1,102,987	1,093,994	1,069,693	1,094,993	1,009,962	1,192,141	1,120,108	1,182,708	-
Total Proceeds	Budget FY 2021	5,823,049	5,149,104	5,563,643	6,458,880	5,475,762	4,923,159	8,287,724	6,536,803	6,136,233	6,434,560	6,525,940	5,385,674
	Actual '21	9,181,924	6,774,387	6,550,482	7,620,918	7,367,665	7,882,974	14,454,946	9,382,698	6,701,785	9,034,938	9,991,764	-
YEAR TO DATE													
Gross Sales	Budget FY 2021	27,772,000	55,725,000	81,149,000	112,477,500	139,249,500	168,572,500	205,052,000	234,922,500	268,111,000	297,226,500	328,046,000	355,853,000
	Actual '21	35,877,538	68,662,539	100,169,436	134,523,427	167,255,409	204,162,246	258,480,269	292,897,142	333,218,106	375,595,041	417,183,750	-
Prize Expense	Budget FY 2021	16,816,277	33,712,367	49,183,120	67,821,095	84,233,577	102,120,276	123,854,281	142,021,103	162,232,025	180,211,480	199,043,143	216,000,723
	Actual '21	22,153,996	43,003,529	63,677,859	86,048,477	106,545,276	130,549,481	163,886,635	184,417,670	212,008,481	239,752,321	265,864,725	-
Operating Expenses	Budget FY 2021	1,320,537	2,552,671	3,825,464	5,111,003	6,357,696	7,703,688	8,948,330	10,141,336	11,472,551	12,741,090	14,023,246	15,376,419
	Actual '21	1,057,133	2,119,423	3,247,439	4,350,426	5,444,420	6,514,113	7,609,106	8,619,068	9,811,209	10,931,317	12,114,025	-
Total Proceeds	Budget FY 2021	5,823,049	10,972,153	16,535,796	22,994,676	28,470,438	33,393,597	41,681,321	48,218,124	54,354,357	60,788,917	67,314,857	72,700,531
	Actual '21	9,181,924	15,956,311	22,506,793	30,127,711	37,495,376	45,378,350	59,833,296	69,215,994	75,917,779	84,952,717	94,944,481	-

	Current Month	Year to Date
Prize Payout - Budget	61.10%	60.68%
Prize Payout - Actual	62.79%	63.73%
Sales - Actual increase (decrease) vs. Budget		27.17%
Proceeds - Actual increase (decrease) vs. Budget		41.05%

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2021

May 31, 2021		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MONTH													
Gross Sales	Budget FY 2021	27,772,000	27,953,000	25,424,000	31,328,500	26,772,000	29,323,000	36,479,500	29,870,500	33,188,500	29,115,500	30,819,500	27,807,000
	5-year av.	28,909,745	29,312,375	26,699,784	31,123,852	28,159,420	30,704,090	37,086,272	29,466,602	33,757,889	31,145,692	33,530,516	30,695,695
	Actual '20	27,846,491	28,093,920	27,156,818	27,814,584	28,775,272	30,955,509	34,426,107	30,040,444	28,896,281	32,194,176	38,846,931	36,906,960
	Actual '21	35,877,538	32,785,001	31,506,897	34,353,991	32,731,982	36,906,837	54,318,023	34,416,873	40,320,964	42,376,935	41,588,709	-
Prize Expense	Budget FY 2021	16,816,277	16,896,090	15,470,753	18,637,975	16,412,482	17,886,699	21,734,005	18,166,822	20,210,922	17,979,455	18,831,663	16,957,580
	5-year av.	17,703,509	18,251,671	16,405,033	19,038,577	16,985,912	20,365,393	21,755,231	17,603,095	21,982,406	18,974,262	20,594,988	18,967,262
	Actual '20	17,579,210	18,081,688	16,760,932	17,241,936	17,559,342	22,137,093	20,486,448	17,786,919	19,476,775	19,973,806	25,928,192	23,304,663
	Actual '21	22,153,996	20,849,533	20,674,330	22,370,618	20,496,799	24,004,205	33,337,154	20,531,035	27,590,811	27,743,840	26,112,404	-
Operating Expenses	Budget FY 2021	1,320,537	1,232,134	1,272,793	1,285,539	1,246,693	1,345,992	1,244,642	1,193,006	1,331,215	1,268,539	1,282,156	1,353,173
	5-year av.	1,090,471	1,071,667	1,030,775	1,099,078	1,097,187	1,091,716	1,103,912	1,016,971	1,060,368	1,054,879	1,154,536	1,434,118
	Actual '20	1,110,516	1,030,009	1,057,965	1,130,916	1,044,839	1,112,026	1,127,198	1,040,632	1,131,397	1,096,660	1,022,773	1,598,539
	Actual '21	1,057,133	1,062,290	1,128,016	1,102,987	1,093,994	1,069,693	1,094,993	1,009,962	1,192,141	1,120,108	1,182,708	-
Total Proceeds	Budget FY 2021	5,823,049	5,149,104	5,563,643	6,458,880	5,475,762	4,923,159	8,287,724	6,536,803	6,136,233	6,434,560	6,525,940	5,385,674
	5-year av.	6,845,977	6,301,169	6,275,263	7,561,043	6,605,298	5,680,813	9,887,228	7,431,415	6,857,904	7,739,735	7,913,614	6,958,510
	Actual '20	6,009,246	5,494,118	6,310,989	6,563,644	6,756,517	4,206,053	8,710,630	7,999,869	5,040,937	8,195,442	7,713,140	8,528,747
	Actual '21	9,181,924	6,774,387	6,550,482	7,620,918	7,367,665	7,882,974	14,454,946	9,382,698	6,701,785	9,034,938	9,991,764	-

YEAR TO DATE

Gross Sales	Budget FY 2021	27,772,000	55,725,000	81,149,000	112,477,500	139,249,500	168,572,500	205,052,000	234,922,500	268,111,000	297,226,500	328,046,000	355,853,000
	5-year av.	28,909,745	58,222,120	84,921,904	116,045,756	144,205,176	174,909,266	211,995,538	241,462,140	275,220,029	306,365,721	339,896,237	370,591,932
	Actual '20	27,846,491	55,940,411	83,097,229	110,911,813	139,687,085	170,642,594	205,068,701	235,109,145	264,005,426	296,199,602	335,046,533	371,953,493
	Actual '21	35,877,538	68,662,539	100,169,436	134,523,427	167,255,409	204,162,246	258,480,269	292,897,142	333,218,106	375,595,041	417,183,750	-
Prize Expense	Budget FY 2021	16,816,277	33,712,367	49,183,120	67,821,095	84,233,577	102,120,276	123,854,281	142,021,103	162,232,025	180,211,480	199,043,143	216,000,723
	5-year av.	17,703,509	35,955,180	52,360,213	71,398,790	88,384,702	108,750,095	130,505,326	148,108,421	170,090,827	189,065,089	209,660,077	228,627,339
	Actual '20	17,579,210	35,660,898	52,421,830	69,663,766	87,223,108	109,360,201	129,846,649	147,633,568	167,110,343	187,084,149	213,012,341	236,317,004
	Actual '21	22,153,996	43,003,529	63,677,859	86,048,477	106,545,276	130,549,481	163,886,635	184,417,670	212,008,481	239,752,321	265,864,725	-
Operating Expenses	Budget FY 2021	1,320,537	2,552,671	3,825,464	5,111,003	6,357,696	7,703,688	8,948,330	10,141,336	11,472,551	12,741,090	14,023,246	15,376,419
	5-year av.	1,090,471	2,162,138	3,192,913	4,291,991	5,389,178	6,480,894	7,584,806	8,601,777	9,662,145	10,717,024	11,871,560	13,305,678
	Actual '20	1,110,516	2,140,525	3,198,490	4,329,406	5,374,245	6,486,271	7,613,469	8,654,101	9,785,498	10,882,158	11,904,931	13,503,470
	Actual '21	1,057,133	2,119,423	3,247,439	4,350,426	5,444,420	6,514,113	7,609,106	8,619,068	9,811,209	10,931,317	12,114,025	-
Total Proceeds	Budget FY 2021	5,823,049	10,972,153	16,535,796	22,994,676	28,470,438	33,393,597	41,681,321	48,218,124	54,354,357	60,788,917	67,314,857	72,700,531
	5-year av.	6,845,977	13,147,146	19,422,409	26,983,452	33,588,750	39,269,563	49,156,791	56,588,206	63,446,110	71,185,845	79,099,459	86,057,969
	Actual '20	6,009,246	11,503,364	17,814,353	24,377,997	31,134,514	35,340,567	44,051,197	52,051,066	57,092,003	65,287,445	73,000,585	81,529,332
	Actual '21	9,181,924	15,956,311	22,506,793	30,127,711	37,495,376	45,378,350	59,833,296	69,215,994	75,917,779	84,952,717	94,944,481	-

	Current Month	Year to Date
Prize Payout - Budget	61.10%	60.68%
Prize Payout - 5-Year Average	61.42%	61.68%
Prize Payout - Actual	62.79%	63.73%
Sales - Actual increase (decrease) vs. 5-Year Average		22.74%
Proceeds - Actual increase (decrease) vs. 5-Year Average		20.03%
Sales - Actual increase (decrease) vs. Budget		27.17%
Proceeds - Actual increase (decrease) vs. Budget		41.05%

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Eleven Months Ending Monday, May 31, 2021

	Month ended 5/31/2021	Month ended 5/31/2020	Year-to-date 5/31/2021	Year-to-date 5/31/2020
Operating revenues:				
Instant-scratch ticket sales	\$ 29,309,926.00	\$ 28,041,132.00	\$ 290,833,256.00	\$ 235,112,266.00
InstaPlay sales	1,976,183.00	2,374,779.00	22,049,304.00	14,524,026.00
Pick 3 sales	833,535.00	895,897.50	8,744,573.00	7,671,386.00
Powerball sales	3,564,285.00	2,708,556.00	40,418,042.50	34,117,202.50
Mega Millions Sales	3,219,738.00	2,348,323.00	27,601,765.00	18,281,646.00
Pick 4 sales	484,661.00	508,087.50	5,006,330.00	4,458,094.50
Lucky for Life sales	481,674.00	415,162.00	5,134,102.00	4,851,148.00
Lotto America sales	601,896.00	534,264.00	5,806,095.00	6,262,507.00
Pull-tab sales	1,116,811.16	1,020,730.26	11,590,282.26	9,768,257.85
Application fees	225.00	125.00	4,200.00	3,550.00
Other	1,355.28	657.95	5,387.04	7,174.63
Total operating revenues	41,590,289.44	38,847,714.21	417,193,336.80	335,057,258.48
Operating expenses:				
Scratch ticket prizes	19,102,125.34	19,758,180.00	193,942,519.57	156,835,519.38
InstaPlay prizes	1,540,362.78	1,649,376.98	16,187,195.52	10,331,712.01
Pick 3 prizes	500,121.00	537,538.50	5,289,446.20	4,602,831.60
Powerball prizes	1,782,204.00	1,354,283.00	20,209,700.50	17,063,588.00
Mega Millions prizes	1,609,869.00	1,174,161.50	13,800,882.50	9,140,823.00
Pick 4 prizes	290,796.60	304,852.50	3,003,798.00	2,942,631.30
Lucky for Life prizes	286,273.00	246,746.49	3,284,904.04	2,859,255.86
Lotto America prizes	300,948.00	267,132.00	2,903,047.50	3,131,253.50
Pull-tab prizes	699,704.72	635,921.05	7,243,231.18	6,104,727.10
Advertising/publicity	535,049.26	410,542.05	6,439,436.02	6,321,408.49
Retailer compensation expense	2,734,422.82	2,547,358.55	27,373,735.64	21,876,908.40
Ticket expense	345,318.78	281,819.61	3,303,093.54	2,970,421.73
Vendor compensation expense	564,153.95	627,478.39	5,755,973.61	5,452,215.67
Salary and benefits	850,220.25	832,977.98	9,735,687.04	9,511,225.37
Travel	29,729.98	11,829.08	172,529.63	225,341.37
Supplies	12,505.11	7,196.69	101,127.95	85,275.55
Printing	-	56.00	1,891.27	1,458.06
Postage	332.34	363.19	6,991.76	5,580.72
Communications	13,766.31	13,134.98	153,140.81	168,480.59
Rentals	23,950.12	26,484.42	279,555.18	291,538.34
Utilities	6,088.73	5,248.93	81,084.12	82,855.01
Professional fees	10,939.64	10,382.50	109,710.33	142,221.98
Vending machine maintenance	21,840.00	21,504.00	239,326.25	235,536.00
Outside services and repairs	82,943.22	85,792.25	794,112.41	776,420.06
Data processing	10,712.02	10,613.11	117,992.62	115,906.06
Equipment	157,462.71	13,177.89	472,090.71	378,730.53
Reimbursement to other state agencies	61,774.10	31,857.57	419,334.49	403,045.29
Depreciation	38,558.57	37,704.57	418,156.44	444,896.64
Other	4,170.27	4,996.84	48,942.34	58,799.78
MUSL/Lotto administrative expense	712.23	2,735.29	8,232.71	30,756.26
Total operating expenses	31,617,054.85	30,911,445.91	321,896,869.88	262,591,363.65
Operating income	9,973,234.59	7,936,268.30	95,296,466.92	72,465,894.83
Non-operating revenue (expenses):				
Proceeds to state causes	(9,991,764.36)	(7,713,140.13)	(94,944,480.24)	(73,000,585.03)
Interest income	4,579.01	26,577.08	55,025.26	340,697.26
Gain (Loss) on disposal of capital assets	-	(2,602.57)	18,400.00	1,647.43
Net non-operating revenues (expenses)	(9,987,185.35)	(7,689,165.62)	(94,871,054.98)	(72,658,240.34)
Change in net position	(13,950.76)	247,102.68	425,411.94	(192,345.51)
Net position beginning of period	4,688,716.81	4,363,207.26	4,249,354.11	4,802,655.45
Net position end of period	4,674,766.05	4,610,309.94	4,674,766.05	4,610,309.94

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Ten Months Ending Friday, April 30, 2021

	Month ended 4/30/2021	Month ended 4/30/2020	Year-to-date 4/30/2021	Year-to-date 4/30/2020
Operating revenues:				
Instant-scratch ticket sales	\$31,811,838.00	\$23,147,178.00	\$261,523,330.00	\$207,071,134.00
InstaPlay sales	2,106,737.00	2,107,150.00	20,073,121.00	12,149,247.00
Pick 3 sales	888,894.50	730,306.50	7,911,038.00	6,775,488.50
Powerball sales	2,435,978.00	2,561,462.00	36,853,757.50	31,408,646.50
Mega Millions Sales	2,265,442.00	1,409,446.00	24,382,027.00	15,933,323.00
Pick 4 sales	497,234.00	423,817.50	4,521,669.00	3,950,007.00
Lucky for Life sales	491,096.00	433,950.00	4,652,428.00	4,435,986.00
Lotto America sales	514,453.00	512,560.00	5,204,199.00	5,728,243.00
Pull-tab sales	1,365,262.33	868,306.02	10,473,471.10	8,747,527.59
Application fees	675.00	25.00	3,975.00	3,425.00
Other	763.10	624.14	4,031.76	6,516.68
Total operating revenues	42,378,372.93	32,194,825.16	375,603,047.36	296,209,544.27
Operating expenses:				
Scratch ticket prizes	21,515,562.00	14,726,841.00	174,840,394.23	137,077,339.38
InstaPlay prizes	1,634,102.66	1,511,021.79	14,646,832.74	8,682,335.03
Pick 3 prizes	551,622.40	438,183.90	4,789,325.20	4,065,293.10
Powerball prizes	1,217,957.50	1,280,775.00	18,427,496.50	15,709,305.00
Mega Millions prizes	1,132,721.00	704,723.00	12,191,013.50	7,966,661.50
Pick 4 prizes	298,340.40	254,290.50	2,713,001.40	2,637,778.80
Lucky for Life prizes	283,511.25	257,912.00	2,998,631.04	2,612,509.37
Lotto America prizes	257,226.50	256,280.00	2,602,099.50	2,864,121.50
Pull-tab prizes	852,796.56	543,779.30	6,543,526.46	5,468,806.05
Advertising/publicity	454,560.19	243,802.64	5,904,386.76	5,910,866.44
Retailer compensation expense	2,802,332.46	2,107,895.91	24,639,312.82	19,329,549.85
Ticket expense	282,653.73	232,076.45	2,957,774.76	2,688,602.12
Vendor compensation expense	593,300.37	531,579.07	5,191,819.66	4,824,737.28
Salary and benefits	906,128.44	909,390.48	8,885,466.79	8,678,247.39
Travel	20,311.57	10,785.61	142,799.65	213,512.29
Supplies	12,366.93	7,504.57	88,622.84	78,078.86
Printing	-	56.00	1,891.27	1,402.06
Postage	349.04	463.40	6,659.42	5,217.53
Communications	15,553.48	14,621.27	139,374.50	155,345.61
Rentals	23,948.62	26,516.22	255,605.06	265,053.92
Utilities	5,263.71	6,659.29	74,995.39	77,606.08
Professional fees	9,803.50	8,689.75	98,770.69	131,839.48
Vending machine maintenance	21,840.00	21,504.00	217,486.25	214,032.00
Outside services and repairs	73,356.08	69,516.00	711,169.19	690,627.81
Data processing	10,745.81	10,601.19	107,280.60	105,292.95
Equipment	43,076.34	40,379.76	314,628.00	365,552.64
Reimbursement to other state agencies	32,683.90	32,752.69	357,560.39	371,187.72
Depreciation	37,917.91	38,361.00	379,597.87	407,192.07
Other	4,166.08	4,467.31	44,772.07	53,802.94
MUSL/Lotto administrative expense	461.07	2,812.97	7,520.48	28,020.97
Total operating expenses	33,094,659.50	24,294,242.07	290,279,815.03	231,679,917.74
Operating income	9,283,713.43	7,900,583.09	85,323,232.33	64,529,626.53
Non-operating revenue (expenses):				
Proceeds to state causes	(9,034,937.96)	(8,195,442.33)	(84,952,715.88)	(65,287,444.90)
Interest income	4,075.00	30,234.79	50,446.25	314,120.18
Gain (Loss) on disposal of capital assets	-	-	18,400.00	4,250.00
Net non-operating revenues (expenses)	(9,030,862.96)	(8,165,207.54)	(84,883,869.63)	(64,969,074.72)
Change in net position	252,850.47	(264,624.45)	439,362.70	(439,448.19)
Net position beginning of period	4,435,866.34	4,627,831.71	4,249,354.11	4,802,655.45
Net position end of period	4,688,716.81	4,363,207.26	4,688,716.81	4,363,207.26

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Nine Months Ending Wednesday, March 31, 2021

	Month ended 3/31/2021	Month ended 3/31/2020	Year-to-date 3/31/2021	Year-to-date 3/31/2020
Operating revenues:				
Instant-scratch ticket sales	\$ 29,382,428.00	\$ 20,436,108.00	\$ 229,711,492.00	\$ 183,923,956.00
InstaPlay sales	2,292,298.00	1,639,714.00	17,966,384.00	10,042,097.00
Pick 3 sales	884,496.00	696,493.00	7,022,143.50	6,045,182.00
Powerball sales	3,318,928.00	2,821,889.00	34,417,779.50	28,847,184.50
Mega Millions Sales	1,565,708.00	1,315,799.00	22,116,585.00	14,523,877.00
Pick 4 sales	496,578.00	430,331.50	4,024,435.00	3,526,189.50
Lucky for Life sales	507,070.00	457,394.00	4,161,332.00	4,002,036.00
Lotto America sales	550,803.00	575,730.00	4,689,746.00	5,215,683.00
Pull-tab sales	1,322,655.45	522,822.57	9,108,208.77	7,879,221.57
Application fees	675.00	600.00	3,300.00	3,400.00
Other	426.04	579.96	3,268.66	5,892.54
Total operating revenues	40,322,065.49	28,897,461.03	333,224,674.43	264,014,719.11
Operating expenses:				
Scratch ticket prizes	21,298,808.00	14,575,239.00	153,324,832.23	122,350,498.38
InstaPlay prizes	1,513,460.83	1,272,510.27	13,012,730.08	7,171,313.24
Pick 3 prizes	530,697.60	417,895.80	4,237,702.80	3,627,109.20
Powerball prizes	1,659,541.00	1,411,026.00	17,209,539.00	14,428,530.00
Mega Millions prizes	782,854.00	657,899.50	11,058,292.50	7,261,938.50
Pick 4 prizes	297,946.80	258,198.90	2,414,661.00	2,383,488.30
Lucky for Life prizes	403,115.28	269,828.96	2,715,119.79	2,354,597.37
Lotto America prizes	275,401.50	287,865.00	2,344,873.00	2,607,841.50
Pull-tab prizes	828,985.61	326,311.82	5,690,729.90	4,925,026.75
Advertising/publicity	733,767.72	588,192.86	5,449,826.57	5,667,063.80
Retailer compensation expense	2,642,691.98	1,905,557.79	21,836,980.36	17,221,653.94
Ticket expense	273,397.25	224,157.51	2,675,121.03	2,456,525.67
Vendor compensation expense	559,232.07	482,137.08	4,598,519.29	4,293,488.21
Salary and benefits	963,819.23	919,642.70	7,979,338.35	7,768,856.91
Travel	16,166.79	16,330.14	122,488.08	202,726.68
Supplies	5,697.62	10,131.75	76,255.91	70,574.29
Printing	-	168.00	1,891.27	1,346.06
Postage	405.12	230.27	6,310.38	4,754.13
Communications	13,851.93	14,418.80	123,821.02	140,724.34
Rentals	23,940.72	26,584.72	231,656.44	238,537.70
Utilities	6,585.66	6,529.30	69,731.68	70,946.79
Professional fees	8,939.50	21,945.37	88,967.19	123,149.73
Vending machine maintenance	21,934.25	21,504.00	195,646.25	192,528.00
Outside services and repairs	62,533.75	49,710.91	637,813.11	621,111.81
Data processing	10,703.53	10,176.46	96,534.79	94,691.76
Equipment	68,819.07	43,253.37	271,551.66	325,172.88
Reimbursement to other state agencies	28,536.56	31,293.65	324,876.49	338,435.03
Depreciation	37,917.91	38,361.05	341,679.96	368,831.07
Other	4,242.64	4,047.20	40,605.99	49,335.63
MUSL/Lotto administrative expense	795.95	2,812.97	7,059.41	25,208.00
Total operating expenses	33,074,789.87	23,893,961.15	257,185,155.53	207,385,675.67
Operating income	7,247,275.62	5,003,499.88	76,039,518.90	56,629,043.44
Non-operating revenue (expenses):				
Proceeds to state causes	(6,701,784.67)	(5,040,936.91)	(75,917,777.92)	(57,092,002.57)
Interest income	9,502.81	39,357.04	46,371.25	283,885.39
Gain (Loss) on disposal of capital assets	-	-	18,400.00	4,250.00
Net non-operating revenues (expenses)	(6,692,281.86)	(5,001,579.87)	(75,853,006.67)	(56,803,867.18)
Change in net position	554,993.76	1,920.01	186,512.23	(174,823.74)
Net position beginning of period	3,880,872.58	4,625,911.70	4,249,354.11	4,802,655.45
Net position end of period	4,435,866.34	4,627,831.71	4,435,866.34	4,627,831.71

Budget For Lottery Fund

	FY 2020 Actual	FY 2021 Board Approved Budget	FY 2022 Board Approved Budget - Fall	FY 2022 Proposed Budget
Resources				
Lottery sales	371,953,494	355,853,000	368,500,000	371,000,000
Interest income	383,498	500,000	500,000	500,000
Application fees	3,750	5,000	5,000	5,000
Other	7,436	5,000	5,000	5,000
Total Resources	372,348,178	356,363,000	369,010,000	371,510,000
Expenses and Change in Net Assets				
Prizes	236,317,005	216,000,723	228,087,000	229,722,000
Retailer compensation	24,314,334	23,843,151	24,690,500	24,858,000
Advertising production and media purchases	6,780,551	14,234,120	14,740,000	14,840,000
Retailer Lottery system/Terminal Communications	6,125,443	9,191,012	7,589,214	7,537,034
Instant/Pull-tab ticket expense	3,251,770	4,284,428	4,484,750	4,528,500
Vending machines & maintenance/Ticket dispensers	420,413	535,216	539,248	539,248
Courier delivery of instant tickets	660,809	660,000	660,000	660,000
Interest expense	0	0	0	0
Lottery operating expense	13,503,470	15,376,419	15,146,419	15,655,401
Increase (decrease) in net assets	-1,647	-462,600	-418,600	-330,600
Total Expenses and Change in Net Assets	291,372,148	283,662,469	295,518,531	298,009,583
Proceeds				
Proceeds Transfer to Veterans Trust Fund	2,500,000	2,500,000	2,500,000	2,500,000
Public Safety Survivor Benefit Fund	100,000	100,000	100,000	100,000
Proceeds Transfer to General Fund	78,929,332	70,100,531	70,891,469	70,900,417
Total Proceeds Transfers	81,529,332	72,700,531	73,491,469	73,500,417
Total Expenses and Proceeds	372,901,480	356,363,000	369,010,000	371,510,000

Lottery Operations -Budget Detail

	FY 2020 Actual	FY 2021 Board Approved Budget	FY 2022 Board Approved Budget - Fall	FY 2022 Proposed Budget
Administrative payroll*	\$ 10,861,223	\$ 11,624,950	\$ 11,624,950	\$ 11,848,442
Travel & Transportation	\$ 229,288	\$ 417,500	\$ 417,500	\$ 417,500
Supplies	\$ 71,026	\$ 103,000	\$ 103,000	\$ 103,000
Printing	\$ 1,402	\$ 20,000	\$ 10,500	\$ 10,500
Postage	\$ 7,097	\$ 7,000	\$ 7,000	\$ 7,000
Communications	\$ 186,746	\$ 192,400	\$ 192,400	\$ 232,400
Rentals	\$ 318,204	\$ 301,689	\$ 285,689	\$ 299,179
Utilities	\$ 92,719	\$ 98,800	\$ 98,800	\$ 108,800
Professional fees	\$ 169,265	\$ 308,500	\$ 204,000	\$ 204,000
Outside services and repair	\$ 217,847	\$ 374,211	\$ 274,211	\$ 484,211
Data processing	\$ 125,918	\$ 150,000	\$ 150,000	\$ 150,000
Equipment	\$ 206,844	\$ 452,869	\$ 452,869	\$ 464,869
Reimbursement to state agencies	\$ 479,618	\$ 531,900	\$ 531,900	\$ 531,900
Depreciation	\$ 481,223	\$ 707,600	\$ 707,600	\$ 707,600
Other expenses	\$ 55,050	\$ 86,000	\$ 86,000	\$ 86,000
Total operating expenses	\$ 13,503,470	\$ 15,376,419	\$ 15,146,419	\$ 15,655,401

* FY 2022 Proposed Final Budget for "Administrative Payroll" includes salary and benefit cost increases per DOM projections

AGREEMENT FOR EXTERIOR CLEANING AND VARNISHING

1. IDENTITY OF THE PARTIES. The Iowa Lottery Authority (Lottery) is an instrumentality of the State of Iowa whose address is 13001 University Avenue, Clive, Iowa 50325. Emory Industrial Services (Contractor) is a industrial maintenance contractor whose address is 1501 NE Broadway Avenue., Suite 1, Des Moines, IA 50313.

2. PURPOSE. The purpose of this agreement is for power washing, varnishing, and repairing the cedar wood of the exterior to the Iowa Lottery Authority (Lottery) building located at 13001 University Avenue, Clive, IA 50325. Contractor and Lottery agree that the following terms and conditions shall govern the provision of these services.

3. DURATION. Time is of the essence with respect to Contractor's successful performance of this Agreement. Contractor shall begin performance under this Agreement immediately upon execution. ALL WORK MUST BE COMPLETED BY September 30, 2021.

4. SCOPE OF SERVICES. As provided in Contractor's response to Bid 21-15, the Contractor agrees to provide all material, labor, tools and supervision to complete the scope of services as described in Attachment A. Should modifications or changes to services be required during the construction phase, all such changes must be approved in writing by Lottery employee Terry Brown.

5. COMPENSATION. The total compensation to the Contractor for material and labor to complete the installation shall be \$108,139.00.

The Contractor shall submit an itemized invoice for services rendered in accordance with this Agreement. The invoice shall comply with all applicable rules concerning payment of such claims. The Lottery shall pay all approved invoices in arrears and in conformance with Iowa Code Section 8A.514 and 11 IAC § 41.1(2). The Lottery may pay in less than sixty (60) days, as provided in Iowa Code section 8A.514. However, an election to pay in less than 60 days shall not act as an implied waiver of Iowa Code Section 8A.514.

The funds of the state of Iowa, as opposed to the funds of the Lottery, are not available to meet the Lottery's obligations under the Agreement.

6. SET OFF. In the event that the Contractor owes the Lottery or the State of Iowa any sum under the terms of this Agreement, or any other Agreement, pursuant to any judgment, or pursuant to any law the Lottery or the State may set off the sum owed to the Lottery or the State against any sum owed by the Lottery or the State to the Contractor in the sole discretion of the Lottery or the State, unless otherwise required by law. The Contractor agrees that this provision constitutes proper and timely notice under the law of setoff.

7. TERMINATION. The reasons for termination will include failure to observe or perform any covenant, condition, or obligation created by the agreement, failure to make substantial and timely progress toward performance of the agreement or failure of the work product and services to conform with any specifications noted in the estimate, failure to comply with the laws governing the Lottery, including provisions regarding criminal activities during the course of the agreement.

If the Contractor breaches any term of this Agreement, the Lottery shall give Contractor a cure period of ten (10) calendar days where a cure is possible and feasible. If the breach or noncompliance is not remedied in that time period then the Lottery may suspend performance under the agreement, cancel the agreement or seek any remedy or combination of legal or equitable remedies authorized by the agreement or by applicable law.

The Lottery shall have the right to terminate this Agreement without penalty and without any advance notice as a result of any statutory change withdrawing the Lottery's legal authority to conduct its business or effecting a material alteration in the programs the Lottery administers or substantially modifying the Lottery's duties. In such event, Lottery will remain liable for materials/services furnished in connection with this Agreement prior to the effective date of such legislation.

8. INDEMNIFICATION. The Contractor agrees to indemnify and hold harmless the Lottery, the State of Iowa, and their officers, employees, agents and assigns from any and all costs, expenses, losses, claims, damages, liabilities, settlements and judgments, including reasonable value of the time spent by the Attorney General's Office, and the costs and expenses and reasonable attorneys' fees of other counsel required to defend the State of Iowa or the Lottery, related to or arising from:

8.1. Any breach of this Agreement;

8.2. Any negligent, intentional or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor; or

8.3. Any failure by the Contractor to make all reports, payments and withholdings required by federal and state law with respect to social security, employee income and other taxes, fees or costs required by the Contractor to conduct business in the State of Iowa.

9. INSURANCE. The Contractor shall maintain in full force and effect, with insurance companies licensed by the State of Iowa, at the Contractor's expense, insurance covering its work during the entire term of this agreement and any extensions or renewals. The Contractor's insurance shall, among other things, be occurrence-based and shall insure against any loss or damage resulting from or related to the Contractor's performance of this Agreement regardless of the date the claim is filed or expiration of the policy. Proof of insurance shall be provided to Lottery employee Terry Brown before any services are provided under this Agreement.

10. CONTRACTOR WARRANTIES.

10.1. Construction of Warranties Expressed in this Agreement with Warranties Implied by Law. All warranties made by the Contractor in all provisions of this Agreement and the Proposal by the Contractor, whether or not this Agreement specifically denominates the Contractor's promise as a warranty or whether the warranty is created only by the Contractor's affirmation or promise, or is created by a description of the materials and services to be provided, or by provision of samples to the Lottery, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties which arise through course of dealing or usage of trade. The warranties expressed in this Agreement are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the goods and services provided by the Contractor. The provisions of this Section apply during the term of this Agreement and any extensions or renewals thereof.

10.2. Professional Practices. The Contractor represents and warrants that all of the services to be performed hereunder will be rendered using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel.

10.3. Five Year Warranty. All work to be performed according to industry standards with Contractor providing a written guarantee for at least five years from completion covering all work performed.

10.4. Authority to Enter into Agreement. The Contractor represents and warrants that it has full authority to enter into this Agreement and that it has not granted and will not grant any right or interest to any person or entity that might derogate, encumber or interfere with the rights granted to the Lottery.

10.5. Third Party Beneficiaries. The Contractor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Contractor pursuant to this Agreement are or will be fully satisfied by the Contractor so that the Agency will not have any obligations with respect thereto.

10.6. Title to Property. The Contractor represents and warrants that title to any property assigned, conveyed or licensed to the Agency is good and that transfer of title or license to the Agency is rightful and that all property shall be delivered free of any security interest or other lien or encumbrance.

10.7. Type of products used. The Contractor represents and warrants that any product will be new and unused and free of defects in material, design and workmanship.

10.8. Industry Standards. The Contractor represents and expressly warrants that all aspects of the goods and services provided or used by it in performance of this agreement shall conform to the highest standards in the industry.

10.9. Technology Updates. The Contractor represents and warrants that it shall use and integrate the most current, up-to-date, and safe technology commercially available.

10.10. Particular Purpose. The Contractor shall warrant that the equipment and services provided to the Lottery will be suitable for the particular purpose of use and are merchantable. The Contractor also acknowledges that the Lottery is relying on the contractor's skill and judgment to provide services to fit in all aspects of this project.

11. INDEPENDENT CONTRACTOR. The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Agreement are not employees or agents of the State of Iowa or any agency, division or department of the state. Neither the Contractor nor its employees shall be considered employees of the Lottery or the State of Iowa for federal or state tax purposes. The Lottery will not withhold taxes on behalf of the Contractor.

12. COMPLIANCE WITH THE LAW. The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when performing the services under this Agreement, including without limitation, all laws applicable to the prevention of discrimination in employment and the use of targeted small businesses as subcontractors or suppliers. The Contractor, its employees, agents and subcontractors shall also comply with all federal, state, and local laws regarding business permits and licenses that may be required to carry out the work performed under this Agreement.

13. AMENDMENTS. This Agreement may be amended in writing by mutual consent of the parties. All amendments to this Agreement must be in writing and fully executed by the parties.

14. CHOICE OF LAW AND FORUM. The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Agreement without regard to the choice of law provisions of Iowa law. Any proceeding or action initiated to determine the parties' obligations under this agreement must be brought in Polk County, Iowa. This provision shall not be construed as waiving any immunity to suit or liability that may be available to the Lottery or the State of Iowa.

15. INTEGRATION. This agreement represents the entire Agreement between the parties. The parties shall not rely on any representation that may have been made which is not included in this Agreement.

16. SEVERABILITY. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

17. ASSIGNMENT. This Agreement may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment.

18. NOTICE. Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

If to the Lottery: Iowa Lottery Authority
Attn: Larry Loss
13001 University Avenue
Clive IA 50325

If to the Contractor: Attn: Josh Russo
Emory Industrial Services, Inc.
1501 NE Broadway Ave., Suite 1
Des Moines, IA 50313

Each such notice shall be deemed to have been provided at the earliest of:

- a) The time it is actually received; or
- b) Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or,
- c) Within five days after deposited in the U.S. Mail in the case of registered U.S. Mail.

19. RECORD RETENTION AND ACCESS. The Contractor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the Lottery throughout the term of this Agreement for a period of at least three years following the date of final payment or completion of any required audit, whichever is later.

20. OBLIGATIONS BEYOND AGREEMENT TERM. This Agreement shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Agreement. All obligations of the Lottery and the Contractor incurred or existing under this Agreement as of the date of expiration, termination or cancellation will survive the termination, expiration or conclusion of this Agreement.

21. AUTHORIZATION. Each party to this Agreement represents and warrants to the other parties that:

21.1. It has the right, power and authority to enter into and perform its obligations under this Agreement.

21.2. It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Agreement, and this Agreement constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

22. EXECUTION. In consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

IOWA LOTTERY AUTHORITY

EMORY INDUSTRIAL SERVICES, INC.

Larry Loss
Executive Vice President

Name:
Title:

Date:_____

Date:_____

Fed ID #_____

ATTACHMENT A

SCOPE OF SERVICES

1. Dry Ice Blasting/Power wash and clean all exterior woodwork on all four sides of Lottery Building.
2. Dry ice blasting/Power wash and clean all exterior woodwork on canopy and posts that connect to canopy
3. Repair any and all exterior wood siding that may be damaged or missing
4. Varnish and seal all exterior woodwork on Lottery Building and canopy with posts
5. Dry ice blasting/Power wash and clean all exterior garage wood doors.
6. Varnish and seal all wood garage doors.

MISCELLANEOUS PROVISIONS

1. In the event it is necessary to penetrate, attach to, or modify existing fire resistive walls, all such work shall be properly sealed with an approved fire sealant or installed in an approved manner to maintain the intended level of fire resistance and to prohibit the passage of fire or smoke.
2. All materials, equipment, fixtures, and other items removed and not to be relocated or returned to the Iowa Lottery are the property of the contractor and to be removed from the site and disposed of properly.
3. The Contractor is responsible for protecting from damage and maintaining in proper working condition all materials, finishes, equipment, fixtures, furniture and other items to remain, to be relocated or to be returned to the Iowa Lottery. The Contractor shall promptly replace or repair to original condition all such items damaged by avoidable acts or carelessness without additional costs to the project.
4. The Contractor shall notify the Iowa Lottery and all other parties that may be affected of any required interruption of utilities or services at least 3 days prior to intended interruption. The Contractor shall arrange for the interruption so as not to significantly affect the progress of the work.
5. All materials, equipment or devices designated to be removed and relocated or reinstalled elsewhere in the project shall be treated similar to new materials and installed in professional and workmanlike manner and in a satisfactory and workable condition.
6. Contractor shall remove all debris and excess material from the premises after completion.
7. Services must be coordinated with Terry Brown, 515-725-7877 or tdbrown@ialottery.com.

LOTTERY AUTHORITY, IOWA[531]

Notice of Intended Action

Proposing rule making related to appeals and providing an opportunity for public comment

The Board of Directors of the Iowa Lottery Authority hereby proposes to amend Chapter 4, “Waiver and Variance Rules,” and Chapter 20, “Computerized Games – General Rules,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 99G.9(3).

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code chapter 99G.

Purpose and Summary

The proposed amendments to Chapter 4 are primarily technical in nature and strike the word “variance” in the provisions that allow for waiver and variance of rules. The amendments also updates how the Iowa Lottery Authority submits summary reports of waivers. The proposed amendment to Chapter 20 updates the Lottery’s methods of play for computerized games. The amendment clarifies there is more than one way to purchase an “easy pick” ticket for computerized games.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Authority no later than 4:30 p.m. on August 17, 2021. Comments should be directed to:

Megan Tooker
Vice President/General Counsel
Iowa Lottery Authority

13001 University Avenue
Clive, Iowa 50325-8225
Phone: 515.725.7851
Email: mtooker@ialottery.com

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend title of Chapter 531—4 (99G) as follows:

WAIVER AND VARIANCE OF RULES

This chapter is intended to implement Iowa Code section 17A.9A.

ITEM 2. Amend rule 531—4.1 (99G) as follows:

531—4.1 (99G) Waiver or variance of rules. These rules outline a uniform process for the granting of waivers ~~or variances~~ from rules adopted by the Iowa lottery authority.

ITEM 3. Amend rule 531—4.2 (99G) as follows:

531—4.2 (99G) Definition. For purposes of this chapter, “a ~~waiver or variance~~” means action by the lottery authority board that suspends in whole or in part the requirements or provisions of a rule as applied to an identified person on the basis of the particular circumstances of that person. ~~For simplicity, the term “waiver” shall include both a “waiver” and a “variance.”~~

ITEM 4. Amend title of rule 531—4.5 (99G) as follows:

531—4.5 (99G) Criteria for ~~waiver or variance~~.

ITEM 4. Amend rule 531—4.13 (99G) as follows:

531—4.13(99G) Summary reports. ~~Semiannually,~~ ~~†~~The board shall prepare a summary report identifying the rules for which a waiver has been granted or denied, the

number of times a waiver was granted or denied for each rule, a citation to the statutory provisions implemented by the rules, and a general summary of the reasons justifying the board's actions on waiver requests. If practicable, the report shall detail the extent to which the granting of a waiver has affected the general applicability of the rule itself. ~~Copies of The Board shall submit this report on the internet site maintained by shall be available for public inspection and shall be provided semiannually to the administrative code editor and the administrative rules coordinator and the administrative rules review committee within sixty days of granting or denying a waiver.~~

ITEM 5. Amend rule 531—20.3 (99G) as follows:

531—20.3 (99G) Method of play. If required by the specific game rules, a player must select an appropriate number of the available game variables. A player may select each game variable by marking a play slip and submitting the play slip to a retailer; by asking a retailer to manually enter the game variables; or by ~~verbally requesting~~ purchasing an “easy pick” ticket from a retailer. Players may also purchase game plays from player-activated terminals by use of a touch screen if player-activated terminals are available. A drawing is held in which an appropriate number of the game variables are drawn on a random basis.

This rule is intended to implement Iowa Code Supplement sections 99G.9(3) and 99G.21.



13001 University Avenue
Clive Iowa 50325-8225
www.ialottery.com
515.725.7900

Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

To: ILA Board
From: Megan Tooker
Date: June 22, 2021
Re: Revision to Lucky for Life® Rules

Lucky for Life® is changing to a daily draw game beginning on July 19, 2021. Our game specific rules for Lucky for Life® need to be updated to reflect this change. Staff propose the following changes to ILA's current rules:

1. Update the IALottery™ logo on page 1.
2. Change the effective date on the footer of each page from 1/24/16 to 7/19/2021.
3. On page 2 in the first unnumbered paragraph, update the version of the Iowa Code from 2014 to 2021.
4. At the bottom of page 3 under **SECTION 5 - DRAWINGS**, update the number of drawings from two to seven drawings per week.



**IOWA LOTTERY
GAME SPECIFIC RULES**

LUCKY FOR LIFE®

IOWA LOTTERY GAME SPECIFIC RULES

LUCKY FOR LIFE®

The following are the game specific rules for the Iowa Lottery's implementation of the Lucky for Life® multi-jurisdictional lottery game. These game-specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (~~2014~~2021) and Iowa Code § 99G.31(2)(b) (~~2014~~2021). The game-specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game-specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a ticket for or otherwise participating in the Lucky for Life® multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the national game rules adopted by the New England Lotteries, and these Iowa-specific game rules.

SECTION 1 - DEFINITIONS

As used in these rules:

- A. **"Annuitized Payment Option"** shall mean the manner in which the Game's Top Prize or second prize (also referred to as "Prize Level #2") may be paid in equal payments or installments over a specified number of years. The Annuitized Payment Option shall be calculated on an annual basis, scheduled at the Iowa Lottery's discretion.
- B. **"Cash Option"** shall mean the manner in which the Game's Top Prize or second prize may be paid upon the Winner's request in one (1) single lump-sum payment as an alternative to the Annuitized Payment Option.
- C. **"Drawing"** shall mean the formal process of selecting Winning Numbers that conclusively determines the number of Winners for each prize level of the Game.
- D. **"Game Ticket"** or **"Ticket"** shall mean acceptable evidence of Lucky for Life® game play, as determined in the sole discretion of the Iowa Lottery, that represents a wager accepted by the Iowa Lottery's on-line gaming system, meeting the specifications defined in these game rules. Tickets purchased from non-licensed Iowa Lottery retailers are not considered valid Game Tickets in the state of Iowa.
- E. **"Liability Limit"** shall mean a pre-established threshold, as determined by the New England Lotteries, for paying Top Prize, second prize and third prize claims, as set forth more fully in these rules.
- F. **"Set Prize"** shall mean a pre-determined prize payout that is paid in a single cash payment. Set Prizes shall apply to the lowest eight (8) prize levels. They may also apply, however, to the Top Prize and second prize under certain conditions, as set forth more fully in these rules.
- G. **"Split Prize"** shall mean a pre-determined Set Prize payout that is divided equally among the number of winning tickets of a prize level. Split prizes shall only apply to the Game's Top Prize, the Prize Level #2 and Prize Level #3 Winners under certain conditions, as set forth more fully in these rules.

H. **“Winning Numbers”** shall mean the first five (5) numbers from a set of forty-eight (48) numbers inclusive, and the one (1) Lucky Ball number drawn from a set of eighteen (18) numbers inclusive, that are randomly selected in each Lucky for Life® Drawing and used to determine the winning plays on a ticket.

SECTION 2 - GAME DESCRIPTION AND PLAY

Lucky for Life® is a five (5) out of forty-eight (48) numbers, and a one (1) out of eighteen (18) numbers, double matrix game, drawn twice per week in accordance with these rules. The one (1) out of eighteen (18) number, known as the Lucky Ball, may be the same as one (1) of the first (5) numbers selected for this game.

To play Lucky for Life®, a player shall select five (5) different numbers, from one (1) through forty-eight (48), and one (1) additional number from one (1) to eighteen (18), by communicating those numbers to a licensed Iowa Lottery retailer, by marking the numbered squares on a Lucky for Life® play slip printed or approved by the Iowa Lottery and directly submitting the play slip to a licensed retailer, by requesting an “easy pick” from the licensed retailer, or by entering either five (5) different numbers, from one (1) through forty-eight (48), and one (1) additional number from one (1) to eighteen (18) or an “easy pick” into an Iowa Lottery self-service kiosk.

SECTION 3 - GAME TICKETS AND COST

Game tickets may be purchased for two dollars (\$2.00) per Play, or multiples thereof, in accordance with these rules. The player receives one (1) play for each two dollar (\$2.00) wager.

Game tickets shall be printed on ticket stock that meets all requirements of the Iowa Lottery and the New England Lotteries. Valid game tickets shall include, but not be limited to, the following content: the player’s number selections, the game logo or game name, the ticket cost, the applicable terminal number, a barcode, a drawing date, and designations for quick picks (if selected) and advance draws (if selected).

Only Lucky for Life® game tickets can be redeemed for prizes pursuant to these rules. Receipts and play slips have no pecuniary or prize value and cannot be utilized as evidence of purchase or number selection.

SECTION 4 - CANCELLATIONS AND SELL-OUTS PROHIBITED

A Lucky for Life® ticket may not be voided or canceled, even when printed in error. No ticket that can be used to claim a prize shall be returned to the Lottery for credit. Tickets accepted by retailers as returned tickets that cannot be resold are owned by the bearer thereof. No Lucky for Life® ticket, or physical portion thereof, may be returned to any Party Lottery for credit.

No retailer may sell, and no person or legal entity may purchase, a game ticket or combination of game tickets that would result in a guarantee that the person or legal entity would win a Top Prize or Second Prize win.

SECTION 5 - DRAWINGS

~~Two Seven~~ Drawings shall be held each week, ~~on Monday and Thursday.~~ Drawings will be held daily beginning at 9:38 p.m. Central Time, except as otherwise determined by the New England Lotteries. The

Iowa sales cutoff time for the drawing shall be 8:30 pm, Central Time. The New England Lotteries will determine all procedures for the game Drawings, which shall be open to the public and recorded. All Drawings shall be witnessed by an independent certified public accounting firm.

SECTION 6 - PRIZES

There are ten (10) prize levels in the Lucky for Life® game. The prize amounts for Prize Levels one (1) through three (3) are dependent on the number of winners at each prize level, as set forth in more detail below. The prize amounts for Prize Levels four (4) through ten (10) are set payments payable in a single cash payment in accordance with Iowa Lottery policies and rules, in the amounts set forth in more detail below.

- A. **Prizes and Odds of Winning.** The overall odds of winning a Lucky for Life® prize are 1 in 7.77. The specific odds and prize levels are set forth below.

PRIZE LEVEL	MATCHES MATRIX #1 (5 OF 48)	MATCHES MATRIX #2 (1 OF 18)	ODDS OF WINNING: 1/	PRIZE	% SALES
1	5	1	30,821,472.000	\$7,000/Week for Life*	10.2201%
2	5	0	1,813,027.765	\$25,000/Year for Life*	11.6380%
3	4	1	143,355.684	\$5,000*	1.7439%
4	4	0	8,432.687	\$200	1.1859%
5	3	1	3,413.231	\$150	2.1973%
6	3	0	200.778	\$20	4.9806%
7	2	1	249.749	\$25	5.0050%
8	2	0	14.691	\$3	10.2103%
9	1	1	49.950	\$6	6.0060%
10	0	1	32.019	\$4	6.2463%
				TOTAL PAYOUT	59.4335%

*Prize amounts may be split if there are multiple winners, in accordance with these rules.
Split prizes may be lower than these published prize amounts.

- B. **Top Prize.** Except as provided in these rules, the Top Prize (Prize Level #1) shall be annuitized and based on a Top Prize liability that will be split equally among the number of winning Game Tickets. To the extent permitted by these rules, a Top Prize Winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of drawings and made publicly available on the Game's website and/or other manners as determined by the participating

lotteries. Under certain circumstances, as detailed below, the Top Prize must be paid in a single lump-sum payment and no Annuitized Payment Option is available.

1. If there is one (1) Top Prize Winner, the annuitized prize value will be seven thousand dollars (\$7,000.00) per week for life. As an alternative to the Annuitized Payment Option, the Top Prize Winner may request the Top Prize Cash Option in the amount set by the New England Lotteries.
2. If there are between two (2) and fourteen (14) Top Prize Winners, the Annuitized Payment Option, based on an annuitized prize value of seven thousand dollars (\$7,000.00) per week, will be divided by the total number of Top Prize Winners. The minimum annuitized prize value for this category will be five hundred dollars (\$500.00) a week for life. Any of these two (2) to fourteen (14) Top Prize Winners may choose the Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be the amount of the Top Prize Cash Option set by the New England Lotteries divided by the total number of Top Prize Winners.
3. If there are fifteen (15) or more Top Prize Winners, the Top Prize liability shall be capped at seven million, one hundred twenty-five thousand dollars (\$7,125,000.00), which shall be split equally among all Top Prize Winners, and paid in one (1) lump-sum payment, without any Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower tier prize paid in that respective Drawing.

Top Prize winners permitted to elect the Annuitized Payment Option pursuant to these rules will be paid on the schedule set at the discretion of the selling Lottery, for a minimum period of twenty (20) years.

C. **Second Prize.** Except as provided in these rules, the Second Prize (Prize Level #2) shall be annuitized and based on a Second Prize liability that will be split equally among the number of winning Game Tickets. To the extent permitted by these rules, a Second Prize winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of drawings and made publicly available on the Game's website and/or other manners as determined by the participating lotteries. Under certain circumstances, as detailed below, the Second Prize must be paid in a single lump-sum payment and no Annuitized Payment Option is availab

1. If there are between one (1) and twenty (20) Second Prize winner(s), the annuitized prize value will be twenty-five thousand dollars (\$25,000.00) per year for life. Any of these one (1) to twenty (20) second prize Winner(s) may choose the Second Prize Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be set forth by the New England Lotteries.
2. If there are twenty-one (21) or more Second Prize winners, the Second Prize liability shall be capped at nine million, four hundred thousand dollars (\$9,400,000.00), split equally among all Second Prize winners, and shall be paid in a single lump-sum payment, without an Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower tier prize paid in that Drawing.
3. The winner(s) of the Second Prize who do not request the Cash Option shall be paid their appropriate second prize share on an annual basis for a minimum period of twenty (20) years, paid on the schedule set at the discretion of the selling Lottery.

D. **Measuring Life for Top Prize and Second Prize.** For a single wager, the measuring life of a Top Prize Winner used to determine the duration over which the Top Prize or Second Prize is paid, shall be the natural life of the individual determined by the selling lottery to be the Top Prize or Second Prize

Winner. If the Top Prize or a Second Prize under a single wager is being claimed by more than one (1) natural person or by a legal entity, the measuring life for that Top Prize or Second Prize Winner shall be twenty (20) years. The measuring life shall be determined at the time the prize is claimed.

- E. **Third Prize.** Except as provided in these rules, the Third Prize (Prize Level #3) will be paid as a five thousand dollar (\$5,000.00) set prize. If there are more than one thousand (1,000) Winners of this prize level in a single drawing, the total prize liability of five million dollars (\$5,000,000.00) (\$5,000.00 x 1,000) will be split equally among the winners. Under no circumstances, however, will the value of the Third Prize fall below a minimum prize value of two hundred dollars (\$200.00) per winner, regardless of the number of winners. Third Prizes will be paid in a single cash payment.
- F. **Fourth Prize through Tenth Prize.** The remaining prize levels are set forth in the chart contained in these rules.
- G. **Prizes Determined.** Cash or annuity prize payment elections must be made within sixty (60) days of the player becoming entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed. Elections not made within sixty (60) days are subject to a default election as determined in the discretion of the Lottery. All prizes are rounded to the nearest whole dollar, and are subject to tax withholding and offset as required by state and federal law. The holder of a winning Game Ticket shall be entitled only to the prize won by matching the Winning Numbers in the highest matching prize category. Only one (1) prize per play, board, or panel may be won on a Game Ticket.

SECTION 7 - CLAIMS

A valid Game Ticket shall be the only proof of a game play. A play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. Game Tickets must be validated and satisfy all requirements of the New England Lotteries in order to be eligible to receive a prize. In order to receive a Lucky for Life® prize, any winning play must pass all Iowa Lottery security and validation requirements, and a successful claimant must provide all information required by Lottery security.

The submission of a valid winning Game Ticket to the Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. All prize claims shall be made within three hundred sixty-five (365) calendar days of the drawing date in which the prize is won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, or a legal holiday, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

The Lottery may delay payment of any prize, pending a determination by the CEO, in the following circumstances:

- If a dispute occurs or appears to the Iowa Lottery to be likely to occur regarding the prize;
- If there are questions regarding the identity or eligibility of the claimant;
- If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- If there are concerns regarding the validity of the ticket or share presented;

- If the claim is subject to offset for debts owed by the claimant under Iowa law;
- For any reason permitted in the rules of the New England Lotteries applicable to the Lucky for Life® game; or
- For any reason permitted in the Iowa Lottery's Code, administrative rules, or policies.

SECTION 8 - PAYMENT

- A. **Paying Prizes.** The Iowa Lottery may pay prizes pursuant to this game by cash, check, warrant, or electronic transfer, following the Iowa Lottery's receipt of any necessary information or permission to pay from the New England Lotteries.
- B. **Assigned Prizes.** To the extent permitted by Iowa law, or as required by an order of a court of competent jurisdiction, Lucky for Life® prizes may be assigned. However, no assignment of a Lucky for Life® prize may alter the measuring life of the claimant upon which the prize was based or change, limit, or extend the number of annuitized payments due any assignee.
- C. **Estate Proceedings/Annuity Prizes.** In the event of the death of a Top Prize or second prize Winner during the annuity payment period, the Selling Lottery, with the approval of the Iowa Lottery and the New England Lotteries, upon petition of the estate of that winner (the "Estate") to the Iowa Lottery, the Iowa Lottery may accelerate the payment of all the remaining lottery proceeds to the Estate consistent with the requirements of Iowa law.
1. If the annuitant dies during the annuity payment period but before the guaranteed prize amount has been paid, the Estate shall receive the remaining payments equal to the minimum guaranteed prize amount.
 2. If the annuitant dies during the annuity payment period but after the minimum guaranteed prize amount has been paid, all payments shall stop.

SECTION 9 - PROHIBITED PLAYERS

The following persons, and their immediate family members residing in the same household, are prohibited from purchasing a ticket or share of the Lucky for Life® game or claiming a Lucky for Life® prize in any participating jurisdiction:

- A contractor or consultant under agreement with the Iowa Lottery to perform audit and security functions, and any officers, employees, or agents of those contractors or consultants.
- An employee of the Iowa Lottery's on-line gaming system vendor.
- An employee of the Iowa Lottery's advertising or public relations provider.
- Members of the Iowa Lottery Authority Board of Directors, Iowa Lottery Authority officers, employees, or agents;
- Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery Authority, if the CEO of the Iowa Lottery determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Lottery.

- Players that sign up for the Iowa Lottery's self-exclusion program.
- Any person under the age of 21. However, the recipient of a lawfully purchased and transferred ticket permitted by Chapter 531 of the Iowa Administrative Code may receive a Lucky for Life® prize.
- An employee of the independent certified public accounting firm under contract to oversee Drawings for the Lucky for Life® game.
- Those persons ineligible to play Lucky for Life® due to the Lucky for Life National Game rules, or the laws or rules of any other party lottery offering the Lucky for Life® game.

SECTION 10 - DISPUTES AND APPLICABLE LAW

- A. **Player Responsibility.** The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the Game Ticket. Players make game play selections and play Lucky for Life® at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. The Participating Lotteries are not responsible for lost, altered, or stolen tickets.
- B. **Compliance with Law.** By purchasing a ticket or making a claim relating to the Lucky for Life® game, each purchaser and/or claimant agrees to abide by all applicable statutes, rules, and regulations of the Iowa Lottery.
- C. **Disputes.** Any claims or litigation relating to the Game Tickets and/or prizes may only be brought against the selling lottery in the jurisdiction where the Game Ticket was purchased. Any claims or litigation relating to Game Tickets and/or prizes for a Lucky for Life® ticket sold in Iowa shall apply Iowa law and shall solely be brought in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate.
- D. **Final Determinations.** Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this Lucky for Life® game.
- E. **Exclusive Remedy.** In the event a dispute between a Iowa Lottery and a Game Ticket player, bearer, or claimant occurs relating to the Game Ticket, game play, or prize claim, the Iowa Lottery may solely at its own discretion reimburse the purchase price of the Game Ticket. This shall be the sole and exclusive remedy.



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Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

To: ILA Board
From: Megan Tooker
Date: June 22, 2021
Re: Revision to Powerball® Rules

Powerball® is adding a Monday drawing beginning on August 23, 2021. Our game specific rules for Powerball® need to be updated to reflect this change. Staff proposes the following changes to ILA's current rules:

1. On the top of page 1, update the effective date of the rules from 07/02/2016 to 08/23/2021.
2. On page 1 in the first unnumbered paragraph, update the version of the Iowa Code from 2014 to 2021.
3. On page 2 after the heading **Drawings**, update the number of weekly draws from two to three and add Monday as one of the drawing days.

IOWA LOTTERY GAME SPECIFIC RULES
POWERBALL®

The following are the game specific rules for the Iowa Lottery's implementation and operation of the POWERBALL® multistate lottery game. These game specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (2014~~21~~) and Iowa Code § 99G.31(2)(b) (2014~~21~~). The game specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20 except to the extent the rules in Chapter 20 are expressly inapplicable to multistate lottery games. In the event of inconsistencies, these game specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a play for or otherwise participating in the POWERBALL® multistate lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, the POWERBALL® national game rules adopted by the Multi-State Lottery Association, and these Iowa specific game rules.

Method of Play. The POWERBALL® lottery game is a five (5) out of sixty-nine (69) plus (1) out of twenty-six (26) on-line lottery game which pays the Jackpot prize, at the election of the player, either on an annuitized pari-mutuel basis or as a single lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. The match 5 + 0 Power Play prize is paid as a cash prize or on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid on a set cash basis. To play POWERBALL®, a player shall select five (5) different numbers, from one (1) and through sixty-nine (69) and one (1) additional number from one (1) and through twenty-six (26), for input into a terminal. The additional number may be the same as one of the first five numbers selected by the player. Plays can be purchased from a terminal operated by a licensed retailer. The player may select a set of five numbers and one additional number by communicating the six numbers to the retailer, or by marking the numbered squares in any one game panel on a play slip and submitting the play slip to the retailer or by requesting an "easy pick" from the retailer. The Lottery may also at its discretion, offer a promotion known as the Power Play Option. As noted below, the player may also elect the Power Play Option when it is available. The retailer will then issue a play, via the terminal, containing the selected set or sets of numbers, each set of which constitutes a game play.

Power Play Option. The Power Play Option is an add-on to the current POWERBALL® 5/69 + 1/26 game and must be selected at the time the POWERBALL® play is purchased. Players who elect to pay an extra one dollar (\$1.00) per POWERBALL® Play will have the opportunity to increase the original prizes (all prizes except the jackpot prize) through Power Play, when that feature is offered. Except as provided in the rules, a qualifying play which wins one of the seven lowest lump sum Set Prizes will be multiplied by the number selected, either two, three, four, five, or ten (2, 3, 4, 5, or 10) in a separate random Power Play selected during the official POWERBALL® drawing. The match 5 + 0 prize for players selecting the Power Play option shall be paid \$2,000,000.00 (two million dollars), regardless of the Power Play number selected, unless a higher limited promotional amount is announced by the group. Note that any set prizes or Power Play prizes, including the Match 5+0 prize, may be reduced if wins exceed the available prize fund.

Price. A game play in the POWERBALL® lottery game shall sell for \$2, including sales tax where required by law. When offered, the Power Play Option shall sell for an additional \$1.00 per game play.

Multi-draw plays. Multi-draw plays may be available for up to 10 consecutive drawings.

Drawings. ~~Two~~ Three drawings shall be held each week. Drawings shall be held each Monday, each Wednesday, and each Saturday.

Prizes and odds.

1. The following table sets forth the odds of winning in each prize category, the prize amount in each prize category and the expected percentage of the total prize pool allocated to each prize category, although the prize payout percentage per draw may vary.
2. If winners at non-jackpot prize levels exceed the available prize fund, prizes may be paid on a pari-mutuel basis and be lower than set prize levels. This includes winners at the Match 5+0 with Power Play level.

Number of Matches Per Play	Prize Pool Odds	Prize	Prize Pool Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set	1:292,201,338.0000	Jackpot	68.0131 %*
All five (5) of first set and none of second set	1:11,688,053.5200	\$1,000,000	8.5558%
Any four (4) of first set plus one (1) of second set	1:913,129.1813	\$50,000	5.4757%
Any four (4) of first set and none of second set	1:36,525.1673	\$100	0.2738%
Any three (3) of first set plus one (1) of second set	1:14,494.1140	\$100	0.6899%
Any three (3) of first set and none of second set	1:579.7646	\$7	1.2074%
Any two (2) of first set plus one (1) of second set	1:701.3281	\$7	0.9981%
Any one (1) of first set plus one (1) of second set	1:91.9775	\$4	4.3489%
None of first set plus one (1) of second set	1:38.3239	\$4	10.4373%

Overall odds of winning any prize are 1 in 24.8671.

* The maximum contribution rate may include contributions to reserves and pools as described in these rules.

Expected Prize Payout.

Prize Amount						
Regardless of Power Play number selected:						
Match 5+0	\$1,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	
	Prize Amount	10X	5X	4X	3X	2X
Match 4+1	\$50,000.00	\$500,000	\$250,000.00	\$200,000.00	\$150,000.00	\$100,000.00
Match 4+0	\$100.00	\$1,000	\$500.00	\$400 .00	\$300.00	
	\$200.00					
Match 3+1	\$100.00	\$1,000	\$500.00	\$400.00	\$300.00	
	\$200.00					
Match 3+0	\$7.00	\$70.00	\$35.00	\$28.00	\$21.00	\$14.00
Match 2+1	\$7.00	\$70.00	\$35.00	\$28.00	\$21 .00	\$14.00
Match 1+1	\$4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00
Match 0+1	\$4.00	\$40.00	\$20.00	\$16.00	\$12.00	\$8.00

The holder of a winning play may win only one (1) prize per play in connection with the winning numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

In certain rare instances, the POWERBALL® set prize amount may be less than the amount shown. In such case, the eight (8) lowest Power Play prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 POWERBALL® set prize amount of \$10,000.00 becomes \$5,000.00 under the rules of the POWERBALL® game and a 5x Power Play multiplier is selected, then a Power Play player winning that prize amount would win \$25,000.00.

Probability of Winning Power Play. The following table sets forth the probability of the various Power Play numbers being drawn during a single POWERBALL® drawing, except that the Power Play amount for the Match 5+0 prize will be two million dollars (\$2,000,000), regardless of the Power Play number selected. The Group may elect to run limited promotions that may modify the multiplier features.

For Drawings When the 10X Multiplier is Available:

Power Play	Probability of Prize Increase
10X - Prize Won Times 10	1 in 43
5X - Prize Won Times 5	2 in 43
4X - Prize Won Times 4	3 in 43
3X - Prize Won Times 3	13 in 43
2X - Prize Won Times 2	24 in 43

For Drawings When the 10X Multiplier is not Available

Power Play	Probability of Prize Increase
10X - Prize Won Times 10	0 in 42
5X - Prize Won Times 5	2 in 42
4X - Prize Won Times 4	3 in 42
3X - Prize Won Times 3	13 in 42
2X - Prize Won Times 2	24 in 42

Power Play does not apply to the POWERBALL® Jackpot. Except as provided by a special promotion, a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.

Claims. A ticket or, if electronic game play is introduced in this state a properly registered ticketless transaction, shall be the only proof of a game play or plays. The submission of a winning ticket on secure, Lottery-approved paper to the Iowa Lottery or a licensed retailer, depending on the value of the prize, shall be the sole method of claiming POWERBALL® prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected.

Claim period. All prizes must be claimed as directed within 365 calendar days of the drawing in which the prize was won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, a legal holiday or any day appointed or recommended by the Governor of Iowa or the President of the United States as a day of fasting or thanksgiving, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

The Lottery may delay payment of any prize, pending a determination by the CEO, in the following circumstances:

- If a dispute occurs or appears to the Lottery to be likely to occur regarding the prize;
- If there are questions regarding the identity or eligibility of the claimant;
- If there are concerns regarding the validity of the ticket or share presented;
- If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- If the claim is subject to offset for debts owed by the claimant under Iowa law;
- For any reason permitted in the rules of the Multi-State Lottery Association; or
- For any reason permitted in the Lottery's code, administrative rules, or policies.

Election of Jackpot Prize. Jackpot prizes shall be paid, at the election of the player made no later than 60 days after the player becomes entitled to the prize, with either a per winner annuity or a cash payment equal to the total cash held for this prize pool on a pari-mutuel basis. A player becomes entitled to a prize upon validation, by the Lottery, of a winning play for the prize. If the payment election is not made by the player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. An election for an annuity payment made by a player before play purchase or by system default or design may be changed to a cash payment at the election of the player until the expiration of 60 days after the player becomes entitled to the prize. The election to take the cash payment may be made at

the time of the prize claim or within 60 days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed. Shares of the Jackpot shall be determined by dividing the cash available in the Jackpot pool equally among all winners of the Jackpot. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. If the jackpot is a guaranteed amount, then the amount of the cash payment shall be determined by dividing the advertised jackpot amount by the annuity factor obtained through the Multi-State Lottery Association's (MUSL) formal quote process. Neither MUSL nor the Selling Lotteries, including the Iowa Lottery, shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL. If an annuity has a cash value of less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the cash value of their share of the funds in the Jackpot pool. All prizes paid by annuities shall be paid in thirty (30) payments with the initial payment being made by check or wire transfer, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a member's governing statute, the amount of each payment shall be determined in accordance with MUSL's established annuity payment policies and/or rules. The initial payment of an annuitized prize shall not be made by the lottery until the fifteenth calendar day following the drawing. Annual payments after the initial payment shall be made by the lottery on the anniversary date or if such date falls on a non-business day, then the first business day following the anniversary date of the selection of the jackpot winning numbers. The prize money allocated to the jackpot prize category shall be divided equally by the number of game plays winning the jackpot prize.

Payment of Prizes. All prizes, other than jackpot prizes, shall be paid by cash, check, warrant, or electronic transfer. Prizes may be paid after receiving authorization to pay from MUSL.

Prizes Rounded. Annuitized payments of the jackpot prize or a share of the jackpot prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on a jackpot prize win shall be added to the first cash payment to the winner or winners. Prizes which, under these rules, may become single- payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding of these prizes shall be carried forward to the prize pool for the next drawing.

Prize Rollover. If the jackpot prize is not won in a drawing, the prize money allocated for the jackpot prize shall roll over and be added to the jackpot prize pool for the following drawing.

Power Play Prize Pool. As per MUSL rules, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes, including contributions to the prize pool accounts and prize reserve accounts. The prize payout percentage per draw may vary. In drawings where the 10X multiplier is available, the expected payout for all prize categories shall consist of up to 49.969% percent of each drawing period's sales, including tax, until the jackpot prize is funded to the annuitized amount guaranteed by the MUSL board. In drawings where the 10X multiplier is not available, the expected payout for all prize categories shall consist of up to 45.934% of each drawing period's sales. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner selected by the individual members of the Product Group in accordance with state law.

Prize Pool Accounts and Prize Reserve Accounts. The Powerball Product Group has established the following accounts:

- (1) the Prize Reserve Account (PRA), which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason; and
- (2) the Set Prize Reserve Account (SPRA), which is used to fund deficiencies in low-tier Powerball prize payments (subject to the limitations of these rules).
- (3) the Grand Prize Pool (GPP), which is used to fund the current Grand Prize;
- (4) the Set Prize Pool (SPP), which is used to fund all prizes other than the Grand Prize. The SPP shall also hold any temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories. The source of the SPP is the Party Lottery's weekly prize contributions less actual liability for set prizes for the draws in question;
- (5) the Set-Aside Pool (SAP), which is used to fund the payment of the awarded minimum starting annuity Grand Prizes and minimum annuity Grand Prize increase, if necessary (subject to the limitations in these rules), as may be set by the Product Group;
- (6) the Grand Prize Carry Forward Pool (GPCFP), which is used to fund the starting minimum annuity Grand Prize, as may be set by the Product Group, if such funds are available, and if sales do not fund the Grand Prize; and
- (7) the Power Play Prize Pool (PPP), which is used to hold the temporary balances that may result from having fewer than expected winners from Power Play purchases. The source of the PPP is the Party Lottery's weekly prize contributions less actual Power Play Prize liability.

The above prize reserve accounts, the GPCFP and the SAP shall have maximum balance amounts or balance limiter triggers that are set by the Product Group, subject to review and approval in the manner set forth in the Powerball national game rules.

The maximum contribution rate to the GPP shall be 68.0131% of the prize pool (34.0066% of sales). An amount up to five percent (5%) of a party lottery's sales shall be deducted from a party lottery's GPP contribution and placed in trust in one or more prize pool accounts and prize reserve accounts held by the Product Group at any time that the prize pool accounts and Party Lottery's share of the prize reserve accounts(s) is below the amounts designated by the Product Group.

An additional amount up to twenty percent (20%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in the GPCFP to be held by the Product Group at a time as determined by the Product Group.

In drawings where the ten (10X) multiplier is available, an additional thirty-one thousandths percent (0.031%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes. In drawings where the ten (10X) multiplier is not available, an additional four and sixty-six thousandths percent (4.066%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes.

The Product Group may determine to expend all or a portion of the funds in the Powerball prize pool accounts (except the GPP account and the GPCFP) and the prize reserve accounts:

(1) for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of prizes to be made by the Selling Lotteries; and

(2) for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to approval as set forth in the national game rules.

The GPCFP may only be expended to fund the starting minimum annuity Grand Prize.

The prize reserve shares of a party lottery may be adjusted with refunds to the party lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the party lotteries. A party lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from the reserve account, a party lottery is responsible for its full sales percentage share of the account, whether or not it has been paid in full.

Any amount remaining in the Powerball prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the accounts after the end of all claim periods of all selling lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual members of the Product Group in accordance with jurisdictional statutes and requirements.

When the jackpot prize reaches the annuitized amount guaranteed by the MUSL board, up to 5 percent of sales, including tax, shall be placed in trust in one or more prize reserve accounts until the prize reserve accounts reach the amount designated by the MUSL board. Once the prize reserve accounts exceed the designated amount, the excess shall become part of the prize pool. Any amount remaining in a prize reserve account at the end of this game shall be carried forward to a replacement prize reserve account or expended in a manner as directed by the MUSL board. The amount remaining in the prize reserve account from the previous MUSL game shall be carried forward to the POWERBALL® game.

The prize pool percentage allocated to the set cash prizes shall be carried forward to the subsequent draws if all or a portion of it is not needed to pay the set cash prizes awarded in the current draw.

The MUSL board may offer guaranteed minimum jackpot prize amounts or minimum increases in the jackpot prize amount between drawings or make other changes in the allocation of prize money where the board finds that it would be in the best interest of the game. Changes in the allocation of prize money shall be designated to retain approximately the same prize allocation percentages, over a year's time, set out in these rules. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in these rules becomes necessary.

Pari-Mutuel Powerball Prize Determinations. If the total of set cash prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the set prize levels, then the amount needed to fund all set cash prizes awarded shall be drawn from the following sources in the following order: (a) the amount allocated to the set cash prizes and carried forward from previous draws, if any; (b) an amount from the set prize reserve account, if available, not to exceed \$40 million per drawing; and (c) other amounts as agreed to by the Product Group in their sole discretion. If, after these sources are depleted, there are not sufficient funds to pay the set cash prizes awarded, including Power Play prizes, then the highest set prize

shall become a pari-mutuel prize. If the highest set prize, when paid on a pari-mutuel basis, drops to or below the next highest set prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest set prize, including Power Play prizes, shall become a pari-mutuel prize. This procedure shall continue down through all set prizes levels, if necessary, until all set prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning plays in proportion to their respective prize percentages. Powerball set prizes and power play prizes will be reduced by the same percentage.

Play Validation Requirements. Tickets must be validated and satisfy all requirements of the Multi-State Lottery Association in order to be eligible to receive a prize. In order to receive a POWERBALL® prize, any winning play must pass all Iowa Lottery validation tests, including confidential specifications.

Ineligible Players. The following persons, and their immediate family members residing in the same household, are ineligible to: (1) claim a POWERBALL® prize in any lottery jurisdiction; or (2) to purchase a ticket or share of the POWERBALL® game in any lottery jurisdiction:

- Directors, officers or employees of the Multi-State Lottery Association;
- Subcontractors, consultants, or vendors of the Multi-State Lottery Association under agreement with MUSL to review MUSL audit and security procedures;
- An employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm;

In addition, the following persons, and their immediate family members residing in the same household, are ineligible to: (1) claim a POWERBALL® prize in Iowa; or (2) to purchase a ticket or share of the POWERBALL® game in Iowa:

- Members of the Iowa Lottery Authority Board of Directors, Iowa Lottery Authority officers, employees, or agents;
- Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery Authority, if the CEO of the Iowa Lottery Authority determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Iowa Lottery;
- Players that sign up for the Iowa Lottery's self-exclusion program; and
- Any person under the age of 21. (However, the recipient of a lawfully purchased and transferred ticket permitted by Chapter 531 of the Iowa Administrative Code may receive a POWERBALL® prize.)

Player Responsibility. The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the game ticket. Players make game play selections and play POWERBALL® at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. Neither the Iowa Lottery nor MUSL are responsible for lost, altered, or stolen tickets.

Compliance with Law. By purchasing a ticket or making a claim relating to the POWERBALL® game, each purchaser and claimant agrees to abide by applicable statutes and rules of the Iowa Lottery.

Disputes. Any litigation relating to tickets and/or prizes for a POWERBALL® ticket sold in Iowa shall apply Iowa law and shall solely be brought against the Iowa Lottery in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate. No claim shall be made against the Multi-State Lottery Association or other participating lottery in Powerball. Nothing in these Rules shall be construed as a waiver of any defense or claim the Iowa Lottery, any other participating lottery, or the Multi-State Lottery Association may have in any litigation, including in the event a player or prize claimant pursues litigation relating in any way to the Powerball game.

Final Determinations. Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this POWERBALL® game. All liabilities for a Powerball prize are discharged upon payment of a prize claim. In accordance with Iowa law, any prize claimed but unpaid shall constitute an unclaimed prize under these Rules and the laws, rules, regulations, procedures, and decisions of the Iowa Lottery.

Exclusive Remedy. In the event a dispute between an Iowa Lottery and a ticket player, bearer, or claimant occurs relating to the ticket, game play, or prize claim, the Iowa Lottery may in its discretion reimburse the purchase price of the ticket. This shall be the sole and exclusive remedy.

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Purchasing Policies

Overview

This policy describes the Iowa Lottery Authority (ILA) procurement rules and processes. The ILA's mission is to provide value and entertainment to the citizens of Iowa while maintaining the dignity and integrity of the State of Iowa. To meet these goals, the ILA strives to ensure that through the purchasing process it is prudent with funds, transparent in its processes and operates in an entrepreneurial fashion.

External Reference Materials

1. Code of Iowa section 99G(21)
2. Iowa Administrative Code section 531 Chapters 1 and 2
3. DAS Central Procurement Policies
4. DAS Procurement Website
5. IRS Common Law Factors Publication 15-A
6. State of Iowa Integrated, Information for Iowa (i/3) Financial System

Definitions

1. "Consulting" is the providing of expert knowledge for a fee.
2. A "contract" is a binding agreement between two or more parties. For the purposes of this policy a confirmed purchase order may be considered a contract, if it satisfies the following criteria:
 - a. Contains terms and conditions as stated on the Iowa Lottery website for vendors bidding on ILA contracts or included by reference
 - b. Defined rates or unit costs of the goods or services being procured
3. "Contract valuation" means the highest estimated cost of a single annual period of the contract.
4. "Goods" are tangible items that are purchased for the purpose of sale or operational use by the ILA.
5. "Major procurement contract" means a consulting agreement or a contract with a business organization for the printing of tickets or the purchase or lease of equipment or services essential to the operation of a lottery game. (per 99G)
6. "Pre-Contracting Questionnaire" (PCQ) is a questionnaire used to determine if a contractual agreement already exists between the vendor and the State of Iowa.
7. See Services Contracting section in this policy for ILA definition of "services."
- 1-8. "SS-8" is a document used to determine whether a vendor being contracted is an independent contractor.

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NASPO & Master Agreements

Prior to purchasing any goods or services, the ILA ~~associate~~purchasing agent shall review the Department of Administrative Services (DAS) website and/or State Accounting System (I/3) for any available ~~master agreement. Goods or services of general use available on a master agreement may be purchased from a different vendor if the quantity required makes it cost-effective to purchase from a non-master agreement vendor or if there is an immediate or emergency need for an item and the ILA determines that its best interests will be served by exemption from the bidding process.~~National Association of State Procurement Officials (NASPO) or DAS Master Agreements. The following questions shall be answered:

1. Are the goods or services being procured included/allowable in the agreement?
2. Does the agreement have hourly rates or per item costs and associated commodity line code(s)?
3. Does the agreement contain any spending threshold limitations?
4. Are there any spending limitations within a timeframe?
5. What are the agreement's terms and conditions?
 - a. What are the beginning and end dates?
 - b. Are the termination clauses favorable to the ILA?
 - c. Does the agreement allow the ILA to pay all approved invoices in arrears and in conformance with Iowa Code 8A.514 and II IAC §41.1(2)?

Evaluation Criteria

1. If item 1 above is failed, the ILA will begin its own procurement process.
2. If item 2 is not present, hourly rates or per item costs must be obtained from DAS prior to purchasing anything from the Master Agreement.
3. Items 3 & 4 should be evaluated on a case by case basis to determine if limitations exist.
 - a. Can the ILA work within the limitations to accomplish its business goals?
 - b. Internal procurement processes should be used if the limitations prevent the ILA from accomplishing its mission.
4. Items 5a - c will be handled in the following manner:
 - a. Beginning and end dates will be documented and tracked to ensure validity of the contract as a payment mechanism.
 - b. If termination clauses are not favorable, the ILA will consider using its own procurement process.
 - c. If the contract doesn't include provisions for Iowa Code 8A.514 and II IAC §41.1(2) the ILA will consider using its own procurement process.

Goods or services available on a NASPO or Master Agreement may be purchased from a different vendor if it is cost-effective.

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Competitive Procurement Requirements

Above \$50,000 (Goods & Services)

1. A formal (sealed) competitive selection process is required in connection with any “major procurement” except in cases where a single vendor has an exclusive right to offer a product or service. ~~A “major procurement” is defined as any consulting agreement or any contract for the printing of tickets or the purchase or lease of equipment or services essential to the operation of a lottery game.~~ Invitations-to-bid or Requests for Proposal (RFP) must be posted to the DAS bid opportunities website and the Targeted Small Business (TSB) website. ~~Award of bid or RFP requires CEO and Lottery Board approval~~ and documentation of such postings shall be retained by the purchasing agent. ILA Board must approve every major procurement intent to award and the subsequent contract.
2. A formal (sealed) competitive selection process is required in connection with the purchase of goods or services when COST IS NOT the main criterion for selection and the goods or services are expected to cost in the aggregate of \$50,000 or more. Invitations-to-bid or RFPs must be posted to the DAS bid opportunities website and the TSB website. ~~Award of bid or RFP requires CEO approval and Lottery Board approval for services only.~~ and documentation of such postings shall be retained by the purchasing agent. Contracts for goods or services must be approved by the CEO. ILA Board approval is required for consulting services over \$25,000
3. A formal ~~or informal~~ competitive selection process (which includes USPS mail or electronic or fax mail submissions) is required for the purchase of goods that are not essential to the operation of a lottery game, when COST IS the main criterion for selection and the goods are expected to cost in the aggregate of \$50,000 or more. ~~Bids~~ Invitations-to-bid or RFPs must be posted to the DAS bid opportunities website and the TSB website. ~~Award~~ and documentation of bid requires such postings shall be retained by the purchasing agent. A contract for goods or services must be approved by the CEO approval.
4. The use of other state or public entity current agreements for goods or services may be utilized to purchase the goods and services by the ~~Lottery~~ ILA instead of issuing a competitive bid or RFP. ~~See earlier section in this policy related to NASPO & Master Agreements for rules related to using these types of agreements.~~

Above \$5,000 up to \$50,000

1. GOODS - An informal or formal competitive selection process for goods may be used when ~~cost is the main criterion and~~ the goods are expected to cost greater than \$5,000 and less than \$50,000. —The following guidelines shall apply:
 - ~~a.~~ a. The informal or formal invitation-to-bid may be issued electronically to selected vendors known to offer the goods and may be posted to the DAS bid opportunities website and the TSB website. Documentation of such postings, if any, shall be retained by the purchasing agent.
 - ~~b. Award may require CEO approval depending upon total cost.~~
 - b. c. Awards shall be approved by the CEO or COO.

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c. Informal bids shall be documented in writing. If informal bids are obtained via telephone, ~~notes taken by the ILA associate during the a~~ telephone ~~call qualify as appropriate documentation;~~bid form shall be used to record the bid received; internet screenshots, e-mail or fax bids or quotes also qualify as responses. All documentation shall be attached to the purchase file.

d. ~~_____d.~~ If the goods are expected to cost over \$5,000 but the contract will be awarded to a vendor based on special circumstances or criteria other than cost, the CEO or COO may grant a waiver of the bidding requirement. The ILA ~~associate~~purchasing agent requesting the waiver shall do so in writing.

e. ~~_____e.~~ If the ILA has a list of vendors that provide the goods, all applicable vendors on the list shall be contacted or provided an invitation-to-bid.

f. ~~_____f.~~ If there is no vendor list for the goods ~~,~~ but the ILA ~~associate~~purchasing agent requesting the informal bid knows of three or more vendors who provide the goods, at least three informal bids shall be obtained. If the ILA ~~associate~~purchasing agent does not know of at least three vendors who provide the goods~~,~~ then as many bids as possible should be obtained and the ILA ~~associate~~purchasing agent should document in writing why fewer than three bids were taken.

g. ~~_____g.~~ If the lowest bidder is not awarded the contract, the reason should be documented in writing, attached to the purchase file and approved by an authorized person signing the ~~purchase order or~~ contract.

h. ~~h.~~ If an outside entity (ad agency or other vendors) conducts a competitive bidding process on behalf of the ILA, the policies stated above shall also apply.

i. ~~i.~~ Any goods of \$~~40~~25,000 and below may be purchased from a DIA~~-~~certified TSB vendor without any informal quote/bid obtained. The purchase file should contain a screen-print showing the vendor is an authorized company and appears on the TSB website at time of purchase.

j. ~~j.~~ If the goods being purchased are known by the ILA associate to result in possible re-orders during ~~_____~~ fiscal year and cost in the aggregate over \$5,000, ~~a~~A written contract is required.

~~_____k.~~ If the goods are a single purchase and cost in the aggregate over \$5,000, a written contract is required.

3.2. SERVICES - An informal or formal competitive selection process for services may be used when ~~cost is NOT the main criterion and~~ the services are expected to cost greater ~~than~~ than \$5,000 but less than \$50,000 annually and or no more than \$150,000 for a multi-year service. The following guidelines shall apply:

a. ~~a.~~ The informal or formal competitive selection may be issued electronically to selected vendors known to offer the services and may ~~be~~ posted to the DAS bid opportunities website and the TSB website. Documentation of such postings, if any, shall be retained by the purchasing agent.

b. ~~b.~~ Award requires CEO or COO approval ~~over \$20,000 and Lottery Board approval~~

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over \$25,000.

- ~~c.~~ c. ~~e.~~ Informal bids shall be documented in writing. If informal bids are obtained via telephone, ~~notes taken by the ILA associate during the~~ telephone call qualify as ~~appropriate documentation;~~ bid form shall be used to record the bid received; internet screenshots, e-mail or fax bids ~~or quotes~~ also qualify as responses. All documentation shall be attached to the purchase file.
- ~~d.~~ d. If the services are expected to cost over \$5,000 but the contract will be awarded to a vendor based on special circumstances or criteria other than cost, the CEO or COO may grant a waiver of the bidding requirement. The ILA ~~associate~~ purchasing agent requesting the waiver shall do so in writing.
- ~~e.~~ e. If the ILA has a list of vendors that provide the service, all applicable vendors on the list shall be contacted or provided an invitation-to-bid.
- ~~f.~~ f. If there is no vendor list for the service, but the ILA ~~associate~~ purchasing agent requesting the informal bid knows of three or more vendors who provide the service, at least three informal bids shall be obtained. If the ILA ~~associate~~ purchasing agent does not know of at least three vendors who provide the service, then as many bids as possible should be obtained and the ILA ~~associate~~ purchasing agent should document in writing why fewer than three bids were taken.
- ~~g.~~ g. If the lowest bidder is not awarded the contract, the reason should be documented in writing, attached to the purchase file and approved by an authorized person signing the purchase order or contract.
- ~~h.~~ h. Any services of \$~~10~~25,000 and below may be purchased from a DIA- certified TSB vendor without any informal quote/bid obtained. The purchase file should contain a screen-print showing the vendor is an authorized company and appears on the TSB website at time of purchase.
- ~~i.~~ i. ~~_____~~ i. If the service being purchased is known by the ILA associate to result in additional services at a later time during the fiscal year and cost in the aggregate over \$5,000, ~~a~~A written contract is required.
- ~~j.~~ j. ~~_____~~ j. Refer to the services contract section below for additional requirements.

\$1,501- \$5,000—

1. SERVICES – For services costing less than \$5,000 annually or less than \$15,000 for multi-year service-, no competitive bids are required. -A written contract is required for services above \$1,500. -Refer to the services contract section below for additional requirements.
2. GOODS - Goods costing less than \$5,000 may be obtained by informal telephone bids/quotes or price comparisons. –The following guidelines shall apply:
 - a. ~~_____~~ a. Bids from three sources are to be obtained for all items in aggregate at time of order placement.
 - b. ~~_____~~ b. Informal bids shall be documented in writing. If informal bids are obtained via telephone, ~~notes taken by the ILA associate during the~~ telephone call

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~~qualify as appropriate documentation.~~ bid form shall be used to record the bid received. Internet ~~screen shots~~screenshots, faxes and e-mail bids or quotes also qualify as responses. All documentation shall be attached to the purchase file.

c. ~~—e.~~ If the ILA has a list of vendors that provide the ~~service~~goods, all applicable vendors on the list shall be contacted or provided an invitation-to-bid

d. ~~—d.~~ If there is no vendor list for the goods, but the ILA ~~associate~~purchasing agent requesting the informal bids knows of three or more vendors who provide the goods, at least three informal bids shall be obtained. If the ILA ~~associate~~purchasing agent does not know of at least three vendors who provide the goods, then as many bids as possible should be obtained and the ILA ~~associate~~purchasing agent should document in writing why fewer than three bids were taken.

e. ~~—e.~~ P-card may be used for purchases if direct billing is not feasible or for internet purchases, otherwise a purchase order should be issued. Purchases made via P-card should document price paid using a screen shot or e-mail receipt for the purchase file. Approval must be obtained prior to order placement for all purchases above \$1,500.

\$1 - \$1,500

1. Up to \$1,500 – Informal quotes/bids are not required for single item purchases only, not aggregate purchases. If goods purchased are greater than \$1,500 in aggregate see above requirements. Any documentation regarding purchase to be attached to purchase file or P-card file.
2. P-card may be used for purchases if direct billing is not feasible or for internet purchases, otherwise a purchase order should be issued. Purchases made via P-card should document price paid using a screen shot or e-mail receipt for the purchase file.
3. Goods AND Services - Less than \$1,500, no written contract is required but a purchase order should be attached.

Special Procurements & Purchasing

1. Emergency Procurements

a. If there is an immediate or emergency need for a good or service and the ILA determines that its best interests will be served by exemption from the bidding process, such exemption will be sought from CEO/COO dependent upon procurement amount.

b. The ILA purchasing agent shall attempt to acquire goods and services of general use with as much competition as practicable under the circumstances and should try to obtain the best value for the funds spent under the circumstances. Justification for the emergency purchase shall be documented on the sole source/emergency documentation form and submitted to the CEO or COO for approval.

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2. Sponsorship Agreements

- a. All advertising media placements require a written contract. Advertising media placement of \$5,000 or less in aggregate per fiscal year may be placed on a pre-approved ILA template. If the pre-approved ILA template is used for the agreement, no legal review is required prior to approval and signature. Any advertising media placement agreements written on any other form require ILA legal department review before signing.
- b. Approval levels for advertising media placement agreements are:
 - i. \$1 to \$1,500 in aggregate for fiscal year may be approved by the Advertising Manager/Promotions Manager.
 - ii. \$1,501 to \$5,000 in aggregate for the fiscal year may be approved by the Vice President of Sales and Marketing.
 - iii. \$5,000 and above in aggregate for the fiscal year must be approved by the CEO or COO.
- c. Placement of media advertising is inherently a sole source item. No other identical venue exists for any particular media advertising placement. Therefore, this policy will serve to justify all advertising as sole source.

3. Instant Ticket Working Papers

- a. Instant Ticket Working Papers are developed from Instant Ticket Printing Contracts and contain game specifications, pricing, etc.
- b. Authorized approvers for Instant Ticket Working Papers are: CEO, COO, VP of Security or CFO.

SPECIAL REQUIREMENTS:

4. Promotional Prize Procurements

- a. In the procurement of promotional prizes to be used in conjunction with an ILA promotion, the ILA may dispense with the formal bid process.
- b. The ILA shall complete a justification document which will describe the advantages to using the vendor selected. Included will be informal bid prices offered by other vendors contacted for pricing.
- c. If the lowest bid was not selected the ILA will document why the lowest bid was not selected.
- d. Authorization of these purchases will follow the contract approval levels found in the following section marked Contract Approval Levels.
- e. A written contract is required.

~~Legal Review—All written contracts shall be submitted to the Vice President of General Counsel for review prior to contract execution.~~

5. —Sole Source —Procurements

- a. The CEO or COO must approve the use of all sole-source purchases by approving the sole-source document before any contract is awarded. If a written justification from the requesting department is provided it should be attached to the sole-

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source document. –The sole-source document and justification must be submitted to the CEO ~~or COO~~or COO; once approved, the request must be posted on the State of Iowa bid opportunities website for five (5) calendar days before an agreement or contract for the goods or services is granted. Documentation of this posting will be maintained by ILA. If no vendor responds to the sole-source posting, purchase may proceed with all documentation to be placed with the purchase or contract file. Exception to the website posting shall be for a sole source that is restricted by licensing or trademark agreements and no other source could respond to the posting.

~~a. **Emergency Purchases** – The ILA associate shall attempt to acquire goods and services of general use with as much competition as practicable under the circumstances and should try to obtain the best value for the funds spent under the circumstances. Justification for the emergency purchase shall be documented on the sole source/emergency documentation form and submitted to the CEO or COO for approval.~~

Purchase Order & Contract Approval Levels ~~(not required over \$5,000)~~

- ~~4.~~
Purchase Order Approval Levels
1. All purchases
 - ~~1. All purchases~~
 - ~~a. _____~~ a. Purchasing Agent – up to \$~~1,500~~1500
 - ~~b. b. CEO & COO – up to \$5,000~~\$1500 and above
 - ~~2. Approval exceptions~~
 2. – CFO shall be the authorized backup during absences by the CEO and/or the COO for purchase ~~order approvals.~~orders

Contract Approval Levels

1. ~~4.~~ All non-sole source contracts
 - ~~a. a. COO – up to \$50,000 for goods or services~~
CEO ~~CEO or COO~~ – up to \$20,000
 - ~~b. b. CEO – up to \$25,000 for services;~~150,000 on service contracts where contract valuation is determined as stated in the definitions section of this policy, no limit on goods
 - ~~c. Board approval – over \$25,000 (for services only)~~
- ~~2. All sole source purchase approvals~~
 - ~~a. CEO or COO~~
 - c. _____ ~~3. Approval~~Board Approval – on all consulting contracts over \$25,000, “Major Procurement” contracts as defined in definitions of this policy and Iowa Code section 99G and all other service contracts over \$150,000 where contract valuation is determined as stated in the definitions of this policy

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2. All Sole Source purchases

a. CEO or COO

Approval exceptions

3. — CFO shall be the authorized backup during absences by the CEO and/or the COO for contract approvals.

Instant Ticket Working Paper Approvals

~~Instant Ticket Working Papers are developed from Instant Ticket Printing Contracts and contain game specifications, pricing, etc.~~

Review Requirements

Legal Review - All written contracts valued greater than the materiality level set by the DAS GAAP Team for GASB Statement 87 shall be submitted to the Vice President of General Counsel for review prior to contract execution.

Financial Review – All written contracts valued greater than the materiality level set by the DAS GAAP Team for GASB 87 shall be submitted to the Finance Department for review of the following: financial and budget impact, GASB standards requirements that may be applicable, rate/pricing descriptions and breakdowns.

~~a. Authorized approvers for Instant Ticket Working Papers are: CEO, COO, VP of Security or CFO.~~

Receipt of Goods

ILA ~~associates~~employees must inspect and/or determine the goods received meet the specifications of the order placed and that the appropriate quantities have been received. Packing slips or receipts describing the item received shall be attached to the purchase order and/or scanned and attached in the general ledger system before payment is made. In the absence of a packing slip or receipt, an e-mail from the receiving location shall be an acceptable form.

Advertising Media Placement

- ~~1. All advertising media placements require a purchase order or written contract. For placements exceeding, or expected to exceed, \$5,000 in aggregate per fiscal year, a written contract is required prior to the placement of the advertising.~~
- ~~2. For advertising media placement of \$5,000 or less in aggregate per fiscal year may be placed on a pre-approved Lottery template. If the pre-approved Lottery template is used for the agreement, no legal review is required prior to approval and signature. Any advertising media placement agreements written on any other form require Lottery legal department review before signing.~~
- ~~3. Approval levels for advertising media placement agreements are:
 - ~~a.i. \$1 to \$1,500 in aggregate for fiscal year may be approved by the Advertising Manager/Promotions Manager.~~
 - ~~b. \$1,501 to \$5,000 in aggregate for the fiscal year may be approved by the Vice President of Sales and Marketing.~~
 - ~~c. \$5,000 and above in aggregate for the fiscal year must be approved by the COO or other authorized signature.~~~~

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~~4. Sole Source~~

~~Placement of media advertising is inherently a sole source item. No other identical venue exists for any particular media advertising placement. Therefore, this policy will serve to justify all advertising as sole source.~~

Services Contracting

1. Defined.

Services contracts are contracts entered into by ILA to aid in carrying out its programs and to provide specialized services through an independent contractor qualified by education, experience and/or technical ability. Services contracts may be with individuals, partnerships, firms, corporations or other business entities.

“Service or services” means work performed for the ILA by a service provider and includes, but is not limited to:

- Professional or technical expertise provided by a consultant, advisor or other technical or service provider to accomplish a specific study, review, project, task, or other work as described in the scope of work. By way of example and not by limitation, these services may include the following: accounting services; aerial surveys; aerial mapping and seeding; appraisal services; land surveying services; construction manager services; analysis and assessment of processes, programs, fiscal impact, compliance, systems and the like, auditing services, communications services; services of peer reviewers, attorneys, financial advisors, and expert witnesses for litigation, architectural services, information technology consulting services; services of investment advisors and managers; marketing services; policy development and recommendations; program development; public involvement services and strategies; research services; scientific and related technical services; software development and system design; and services of underwriters, physicians, pharmacists, engineers, and architects; or
- Services provided by a vendor to accomplish routine functions. These services contribute to the day-to-day operations of the ILA. By way of example and not by limitation, these services may include the following: ambulance service; charter service; boiler testing; bookkeeping service; building alarm systems service and repair; commercial laundry service; communications systems installations servicing and repair; court reporting and transcription services; engraving service; equipment or machine installation; preventive maintenance, inspection, calibration and repair; heating ventilation and air conditioning (HVAC) system maintenance service; janitorial service; painting inside and outside; pest weed control service; grounds maintenance, mowing, parking lot sweeping and snow removal service; towing service; translation services; and travel service.
- "Service contract" means a contract for a service or services where the

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predominant factor and purpose of the contract as reasonably stated is for the provision or rendering of services. When there is a mixed contract for both goods and services and the predominant factor and purpose of the contract as reasonably stated is for the provision or rendering of services with goods incidentally involved, a service contract exists and these rules apply.

2. Policy Statement and Purpose.

- ~~a.~~ a.—It is the policy of the ILA that the expenditure of lottery funds for service contractors shall, insofar as practicable, be done through an open, competitive process.
- ~~b.~~ b.—This policy is to be used when determining the Employer/Employee Relationships, and working with the PCQ, SS-8 and payment processes.
- ~~c.~~ c.—Contracts with state agencies, political subdivisions of the state of Iowa, federal government agencies, another state government or a political subdivision thereof are exempt from the competitive selection process (see 11 IAC 118.4(8A)).
- ~~d.~~ d.—Contracts under \$1,000.00 (plus allowable expenses) are exempt from the PCQ process.
- ~~e.~~ e.—Contracts with a Corporation, with a signed ~~w9W-9~~ attached to the claim, are exempt from the PCQ process.

3. Determination of Employer/Employee Relationship, PCQ, SS-8

- ~~a.~~ a.—Prior to signing a contract, DAS-SAE-Daily Processing personnel must make a determination as to whether or not the contractor has an employer/employee relationship with the ILA. Contracts that create an employer/employee relationship are not allowed. See section 3(g), if an employer/employee relationship exists.
 - i. **Prior to signing a contract**, the ILA must review the VCUST (Vendor Customer Table) that is a part of the Iowa statewide accounting system (I/3). When DAS-SAE has reviewed and determined that no employer/employee relationship with the state exists, SAE will enter the SAE CONTROL # in the SAE Control # field on the VCUST table.
 - ii. If an individual (using a social security number or a tax identification number) or a company has the SAE Control # field populated, enter the SAE Control # on the Pre-Contract Questionnaire and complete other department actions on the contract.
- ~~b.~~ b.—If the individual or company does not have an SAE Control #, then **PRIOR** to signing the contract the ILA **MUST** prepare and submit the original Pre-Contract Questionnaire (see ~~attached~~ sample form), the completed Internal

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Revenue Service (IRS) form SS-8, if not contracting with a corporation (see sample form), and the proposed, unsigned contract to DAS-SAE-Daily Processing.

- ~~c.~~ ~~_____~~ ~~e.~~ When contracting with a corporation, ILA may send to DAS-SAE the PCQ to obtain the SAE Control #, OR, in place of the PCQ attach an original signed ~~w9~~W-9 to the claim and send the document to DAS-SAE, attention PCQ coordinator, to add the SAE Control # to the VCUST table and write the SAE Control # on the payment claim, OR, to save time, attach the original signed ~~w9~~W-9 to the claim, and send a photocopy of the claim and W9 to DAS-SAE-attention PCQ coordinator to add the SAE Control # to the VCUST table. For future payments to this vendor, ILA will need to look at the VCUST table to get the SAE Control # to write on future claims for payment.
- ~~d.~~ ~~d.~~ If contracting with a group of individuals who will perform essentially the same function for the State and who will have essentially the same working relationship with the State, only one form SS-8 ~~need~~needs to be prepared. In preparing a "generic" SS-8, a statement must be attached outlining the estimated number of individuals per contract period. If the generic SS-8 must be later modified, then a new generic SS-8 must be processed through DAS-SAE-Daily Processing for approval.
- ~~e.~~ ~~e.~~ If the contract is between the ILA and an individual, and the service is to be performed in three (3) days or less and sufficient evidence can be presented as part of the Pre-Contract Questionnaire or attachments so that DAS-SAE-Daily Processing can ascertain that no employer/employee relationship exists, no SS-8 need be completed.
- ~~f.~~ ~~f.~~ In addition to the SS-8, a recap of the ~~Twenty Common Law Factors~~common law factors used by the IRS to determine the presence of an employer/employee relationship ~~is attached for guidance~~can be found in section 11 below.
- ~~g.~~ ~~_____~~ ~~g.~~ If the ILA has not pre-determined the existence of an employer/employee relationship and the contractor does not have the SAE Control #, then the completed SS-8 (if not contracting with a corporation,~~;~~), along with the proposed, unsigned contract, must be attached to the Pre-Contract Questionnaire when it is submitted to DAS-SAE-Daily Processing. In certain instances, the contractor may be required to complete IRS form W-9, Request for Taxpayer Identification Number Certification.
- ~~i.~~ ~~_____~~ ~~i.~~ DAS-SAE-Daily Processing will review the proposed, unsigned contract to determine if an employee/employer relationship will exist. If, after review of the Pre-Contract Questionnaire and supporting documents, DAS-SAE-Daily Processing concludes that an employer/employee relationship will exist, the ILA must either select another contractor that will meet the independent

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contractor test or use the State's third party contract with Temporary Staffing Services to pay the contractor.

- ~~h.~~ ~~h.~~ After DAS-SAE review, the Pre-Contract Questionnaire and supporting materials will be returned.
- ~~i.~~ ~~l.~~ Contracted services are not to be performed until all signatures are obtained and distribution of contract copies is made to the parties.
- ~~j.~~ ~~j.~~ The contract should specify a starting and ending date. ILA should not enter into a service contract for a period of longer than six years (including extensions) unless ILA gets a waiver of the duration limitation from the ~~COO~~ ILA CEO or ~~Lottery CEO~~ COO.
- ~~k.~~ ~~_____~~ ~~k.~~ Contracts should include a termination clause ~~including a non-appropriation clause~~. Service contracts may cross biennial and fiscal year lines, and, when they do the contract should specifically include a non-appropriation provision.
- ~~l.~~ ~~l.~~ Create a sufficient number of copies of the contract so that the ILA maintains a copy for its file, a copy can be sent to the DAS-SAE-Daily Processing when the first invoice is remitted for payment, and a copy for the contractor.
- ~~m.~~ ~~_____~~ ~~m.~~ Procedures noted in Item #3 shall be followed as deadlines allow. Any exceptions to the procedure timelines shall be noted and documented in the purchase file.

~~4.~~ ~~_____~~ ~~4.~~ Contract Payments:

- ~~a.~~ ~~a.~~ The payment voucher (GAX or PRC) or the first payment in a series requires:
 - ~~i.~~ ~~_____~~ a copy of the original contract signed by both parties
 - ~~ii.~~ ~~a~~ ~~A~~ copy of the completed signed Pre-Contract Questionnaire (PCQ) with the SAE Control #.
 - ~~iii.~~ ~~_____~~ a copy of the Report of Sole Source Procurement if applicable (DAS-GSE form)
 - ~~iv.~~ ~~_____~~ a copy of the Report of Emergency Procurement if applicable (DAS-GSE form)
 - ~~v.~~ ~~the~~ ~~The~~ original invoice or original claimant signature.
- ~~b.~~ ~~b.~~ Subsequent payments shall include the following information on the voucher:
 - ~~i.~~ ~~_____~~ The document number and date the initial claim of this contract series was processed through I/3. (The initial claim of the series will have the contract attached.)
 - ~~ii.~~ ~~_____~~ Original invoice or claimant signature.

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~~c. e.~~ Amended contract payment vouchers:

- ~~i.~~ Attach a copy of the signed amendment.
- ~~ii.~~ Amended PCQ, only if the Employer/Employee relationship changed.
- ~~iii.~~ Make a reference to the document number and paid date of the first payment voucher.
- ~~iv.~~ On any subsequent payments reference the document number and paid date where the amendments are attached.

~~5.~~ Object Codes:

~~5.~~

Proper object codes shall be used. When paying attorneys use: 2462 Legal Fees, 2553 Adult Contract Legal Fees, 2554 Juvenile Contract Legal Fees. For other contractual services use the proper object code found on I/3 on the OBJ table.

~~6.~~ Expense Reimbursements:

~~6.~~

When part of the contract includes specifically reimbursing individuals for expenses, the reimbursement shall not exceed the limits established for board members (see ILA Procedures #210.245 (3) and 210.305). It is the ILA's responsibility to ensure the appropriate rates are written into the contracts.

~~7. 7.~~ Payment vouchers for contracts with individuals must contain the Taxpayer Identification Number (TIN).

~~8. 8.~~ When payment is made on a PRC where a DAS-GSE contract is referenced, the ILA is responsible for the PCQ and the ILA should attach the Pre-Contract Questionnaire referencing the SAE Control #.

~~9. 9.~~ Contracts in which the dollar amount is unknown, such as when payment is based on a percent of recoveries, certain generic contracts, etc., MUST have the Pre-Contract Questionnaire and the contract signed by the ILA CEO, or designee.

~~10.~~ Advance Payments:

~~10.~~

See ILA procedure 230.550 #2.g. (1)

~~11. Twenty Common Law Factors~~

~~A. Indicators of control by employer~~

~~11. Set hours of Employee or Independent Contractor Common Law Rules (IRS Publication 15-A). To determine whether an individual is an employee or an independent contractor under the common-law, the relationship of the worker and the business must be examined. In any employee-independent contractor determination, all information that~~

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provides evidence of the degree of control and the degree of independence must be considered. Facts that provide evidence of the degree of control and independence fall into three categories: behavioral control, financial control, and the type of relationship of the parties.

a. Behavioral Control (Does the business have the right to direct and control how the worker does the task)

i. Instructions Business gives to the worker

1. When and where to work

~~3. Full-time work requirement~~

~~2. Set~~What tools or equipment to use

3. What workers to hire or assist with the work

4. Where to purchase supplies and services

5. What work must be performed by a specified individual

~~2-6.~~ What order or sequence of work to follow

~~3. Oral or written reports required~~

~~B. Other indicators of employer/employee relationship~~

~~3. Personal service required~~

~~3. Hiring, supervising, and paying helpers~~

~~3. Payment of Training that the business or travel expense~~

~~3. Work performed on employer's premises~~

~~3. Furnishing of tools and materials~~

ii. C. Indicators common gives to the worker

1. employee may be trained in a particular manner

2. independent contractors use their own methods

b. Significant Financial control

i. Extent to which the worker has unreimbursed business expenses

~~3. Extent of the worker's investment~~

~~4. ii. Realization of profit (facilities or risk of loss tools used in performing services)~~

~~5. Work performed for more than one firm~~

~~6. iii. Services made~~ Extent to which the worker makes services available to the public relevant market

~~D. Strong indicator of employer/employee relationship~~

~~iv. Continuing work~~ How the business pays the worker

v. Extent to which the worker can realize a profit or loss

7.c. Type of relationship

~~3. Paid by hour, week, month, or piece-work~~

~~3. Right to discharge~~

~~3. Right to terminate~~

i. E. Indicators Written contracts

ii. Does business provide worker with employee type benefits

Permanency of control by employer

~~8. Training provided~~

~~9. Instructions given~~

~~10. Integration~~

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SERVICES PRE-CONTRACT QUESTIONNAIRE

iii. Prepare and submit this form prior to entering into a Services Contract. If the Contractor is listed on the VCUST with the SAE Control Number under Organization, enter the SAE Control Number from VCUST in the space below and submit this form with the first invoice for payment. relationship

1. Department _____

 Contact _____ Phone _____ Fax _____

2. Contractor _____

 Federal Tax ID or Social Security Number _____

 Address _____

3. Contracted Service/Product _____

4. Contract Period From _____ To _____

5. Contract Cost: \$ _____

 Source of Funds: State ___% Fed ___% Other ___% Explanation _____

 Account Codes: Fund _____ Dept _____ Unit _____ Sub-Unit _____ Object _____

6. New Contract Amended Contract Previous Contract Date _____

For Department Use

(Attach form SS-8 if not contracting with a corporation) _____ Generic Contract Number

Sole Source? Yes No _____ SAE Control Number

Employer/Employee Relationship? Yes No
 If Yes, attach PCQ and signed contract, & forward to DAS-SAE

 Signature of Department Director or Designee _____ **For Department of Administrative Services Use**

 Typed Name _____ Employer/Employee Relationship? Yes No

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Title _____ *DAS SAE Signature*

Date _____ *Date*

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Form SS-8
(Rev. May 2014)

Department of the Treasury
Internal Revenue Service

**Determination of Worker Status for Purposes
of Federal Employment Taxes and
Income Tax Withholding**

► Information about Form SS-8 and its separate instructions is at www.irs.gov/formss8.

OMB No. 1545-0044

For IRS Use Only:
Case Number:

Earliest Receipt Date:

Name of firm (or person) for whom the worker performed services		Worker's name	
Firm's mailing address (include street address, apt. or suite no., city, state, and ZIP code)		Worker's mailing address (include street address, apt. or suite no., city, state, and ZIP code)	
Trade name	Firm's email address	Worker's daytime telephone number	Worker's email address
Firm's tax number	Firm's website	Worker's alternate telephone number	Worker's tax number
Firm's telephone number (include area code)	Firm's employer identification number	Worker's social security number	Worker's employer identification number (if any)

Note. If the worker is paid for these services by a firm other than the one listed on this form, enter the name, address, and employer identification number of the payer. ►

Disclosure of Information

The information provided on Form SS-8 may be disclosed to the firm, worker, or payer named above to assist the IRS in the determination process. For example, if you are a worker, we may disclose the information you provide on Form SS-8 to the firm or payer named above. The information can only be disclosed to assist with the determination process. If you provide incomplete information, we may not be able to process your request. See Privacy Act and Paperwork Reduction Act Notice in the separate instructions for more information. If you do not want this information disclosed to other parties, do not file Form SS-8.

Parts I-V. All filers of Form SS-8 must complete all questions in Parts I-IV. Part V must be completed if the worker provides a service directly to customers or is a salesperson. If you cannot answer a question, enter "Unknown" or "Does not apply." If you need more space for a question, attach another sheet with the part and question number clearly identified. Write your firm's name (or worker's name) and employer identification number (or social security number) at the top of each additional sheet attached to this form.

Part I General Information

1 This form is being completed by: Firm Worker, for services performed _____ to _____
(beginning date) (ending date)

2 Explain your reason(s) for filing this form (for example, you received a bill from the IRS, you believe you erroneously received a Form 1099 or Form W-2, you are unable to get workers' compensation benefits, or you were audited or are being audited by the IRS). _____

3 Total number of workers who performed or are performing the same or similar services: _____

4 How did the worker obtain the job? Application Bid Employment Agency Other (specify) _____

5 Attach copies of all supporting documentation (for example, contracts, invoices, memos, Forms W-2 or Forms 1099-MISC issued or received, IRS closing agreements or IRS rulings). In addition, please inform us of any current or past litigation concerning the worker's status. If no income reporting forms (Form 1099-MISC or W-2) were furnished to the worker, enter the amount of income earned for the year(s) at issue \$ _____.

If both Form W-2 and Form 1099-MISC were issued or received, explain why: _____

6 Describe the firm's business: _____

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 15106T **Form SS-8** (Rev. 5-2014)

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Form SS-8 (Rev. 5-2014) Page **2**

Part I General Information (continued)

7 If the worker received pay from more than one entity because of an event such as the sale, merger, acquisition, or reorganization of the firm for whom the services are performed, provide the following: Name of the firm's previous owner: _____
 Previous owner's taxpayer identification number: _____ Change was a: Sale Merger Acquisition Reorganization
 Other (specify) _____
 Description of above change: _____
 Date of change (MM/DD/YY): _____

8 Describe the work done by the worker and provide the worker's job title. _____

9 Explain why you believe the worker is an employee or an independent contractor. _____

10 Did the worker perform services for the firm in any capacity before providing the services that are the subject of this determination request?
 Yes No N/A
 If "Yes," what were the dates of the prior service? _____
 If "Yes," explain the differences, if any, between the current and prior service. _____

11 If the work is done under a written agreement between the firm and the worker, attach a copy (preferably signed by both parties). Describe the terms and conditions of the work arrangement. _____

Part II Behavioral Control (Provide names and titles of specific individuals, if applicable.)

1 What specific training and/or instruction is the worker given by the firm? _____

2 How does the worker receive work assignments? _____

3 Who determines the methods by which the assignments are performed? _____

4 Who is the worker required to contact if problems or complaints arise and who is responsible for their resolution? _____

5 What types of reports are required from the worker? Attach examples. _____

6 Describe the worker's daily routine such as his or her schedule or hours. _____

7 At what location(s) does the worker perform services (for example, firm's premises, own shop or office, home, customer's location)? Indicate the appropriate percentage of time the worker spends in each location, if more than one. _____

8 Describe any meetings the worker is required to attend and any penalties for not attending (for example, sales meetings, monthly meetings, staff meetings). _____

9 Is the worker required to provide the services personally? Yes No

10 If substitutes or helpers are needed, who hires them? _____

11 If the worker hires the substitutes or helpers, is approval required? Yes No
 If "Yes," by whom? _____

12 Who pays the substitutes or helpers? _____

13 Is the worker reimbursed if the worker pays the substitutes or helpers? Yes No
 If "Yes," by whom? _____

Form **SS-8** (Rev. 5-2014)

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Part III Financial Control (Provide names and titles of specific individuals, if applicable.)

1 List the supplies, equipment, materials, and property provided by each party:
 The firm: _____
 The worker: _____
 Other party: _____

2 Does the worker lease equipment, space, or a facility? Yes No
 If "Yes," what are the terms of the lease? (Attach a copy or explanatory statement.) _____

3 What expenses are incurred by the worker in the performance of services for the firm? _____

4 Specify which, if any, expenses are reimbursed by:
 The firm: _____
 Other party: _____

5 Type of pay the worker receives: Salary Commission Hourly Wage Piece Work
 Lump Sum Other (specify) _____
 If type of pay is commission, and the firm guarantees a minimum amount of pay, specify amount. \$ _____

6 Is the worker allowed a drawing account for advances? Yes No
 If "Yes," how often? _____
 Specify any restrictions: _____

7 Whom does the customer pay? Firm Worker
 If worker, does the worker pay the total amount to the firm? Yes No If "No," explain: _____

8 Does the firm carry workers' compensation insurance on the worker? Yes No

9 What economic loss or financial risk, if any, can the worker incur beyond the normal loss of salary (for example, loss or damage of equipment, material)? _____

10 Does the worker establish the level of payment for the services provided or the products sold? Yes No
 If "No," who does? _____

Part IV Relationship of the Worker and Firm

1 Please check the benefits available to the worker: Paid vacations Sick pay Paid holidays
 Personal days Pensions Insurance benefits Bonuses
 Other (specify) _____

2 Can the relationship be terminated by either party without incurring liability or penalty? Yes No
 If "No," explain your answer: _____

3 Did the worker perform similar services for others during the time period entered in Part I, line 1? Yes No
 If "Yes," is the worker required to get approval from the firm? Yes No

4 Describe any agreements prohibiting competition between the worker and the firm while the worker is performing services or during any later period. Attach any available documentation. _____

5 Is the worker a member of a union? Yes No

6 What type of advertising, if any, does the worker do (for example, a business listing in a directory or business cards)? Provide copies, if applicable. _____

7 If the worker assembles or processes a product at home, who provides the materials and instructions or pattern? _____

8 What does the worker do with the finished product (for example, return it to the firm, provide it to another party, or sell it)? _____

9 How does the firm represent the worker to its customers (for example, employee, partner, representative, or contractor), and under whose business name does the worker perform these services? _____

10 If the worker no longer performs services for the firm, how did the relationship end (for example, worker quit or was fired, job completed, contract ended, firm or worker went out of business)? _____

Form **SS-8** (Rev. 5-2014)

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Part V For Service Providers or Salespersons. Complete this part if the worker provided a service directly to customers or is a salesperson.

- 1 What are the worker's responsibilities in soliciting new customers? _____
- 2 Who provides the worker with leads to prospective customers? _____
- 3 Describe any reporting requirements pertaining to the leads. _____
- 4 What terms and conditions of sale, if any, are required by the firm? _____
- 5 Are orders submitted to and subject to approval by the firm? Yes No
- 6 Who determines the worker's territory? _____
- 7 Did the worker pay for the privilege of serving customers on the route or in the territory? Yes No
If "Yes," whom did the worker pay? _____
- 8 If "Yes," how much did the worker pay? _____ \$
- 8 Where does the worker sell the product (for example, in a home, retail establishment)? _____
- 9 List the product and/or services distributed by the worker (for example, meat, vegetables, fruit, bakery products, beverages, or laundry or dry cleaning services). If more than one type of product and/or service is distributed, specify the principal one. _____
- 10 Does the worker sell life insurance full time? Yes No
- 11 Does the worker sell other types of insurance for the firm? Yes No
If "Yes," enter the percentage of the worker's total working time spent in selling other types of insurance _____ %
- 12 If the worker solicits orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments, enter the percentage of the worker's time spent in the solicitation _____ %
- 13 Is the merchandise purchased by the customers for resale or use in their business operations? Yes No
Describe the merchandise and state whether it is equipment installed on the customers' premises. _____

Sign Here Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and to the best of my knowledge and belief, the facts presented are true, correct, and complete.

_____ Title ▶ _____ Date ▶ _____
Type or print name below signature.

Form SS-8 (Rev. 5-2014)

References

Guidelines for purchasing procedures are located in the 99G(21) and 531 Iowa Administrative Code, Chapter 2 Purchasing.

xlv.iv. Extent to which the services performed by the worker are a key aspect of the regular business of the company

This policy supersedes all other policies previously issued regarding purchasing.



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Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

To: ILA Board
From: Megan Tooker
Date: June 22, 2021
Re: Revision to Payment Policies – Memberships to Outside Organizations

At least one member of the Board has asked why the Board is voting on dues for ILA memberships in outside organizations. Our current payment policy 230.600 requires both the Board and the CEO to approve any membership dues regardless of amount, including renewals.

ILA is a longstanding member of the following organizations:

1. Iowa Grocery Industry Association (IGIA): \$500
2. FUEL Iowa: \$688
3. North American Association of State & Provincial Lotteries (NASPL): \$20,000
4. World Lottery Association (WLA): 5600 Swiss Francs

These membership dues are for relatively small amounts of money and are renewed annually. ILA staff is proposing that payment policy 230.600 be updated to require only CEO approval before the payment claim can be processed. Instead of prior Board approval, staff proposes the Board receive a list of all memberships and dues paid after the end of each fiscal year. This proposal, if adopted, would be similar to how ILA handles out-of-state travel requests.

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1. Approval for memberships in outside organizations, including but not limited to lottery industry and retail business trade associations, must be obtained from the ILA ~~Board~~ CEO before the claim can be processed. This applies to new memberships as well as renewals.
2. ILA staff shall annually provide to the ILA Board a complete list of ILA's memberships in outside organizations and membership dues paid. This notice shall be provided at the first quarterly board meeting each fiscal year and included as an agenda item.
3. Approved memberships shall be paid on a General Accounting Expenditure Membership (GAXM) by using the following process:
 - a) All requests for membership expenses are made via the Online Membership Authorization (OMA) website (<https://eservices.iowa.gov/oma/index.faces>).
 - b) Upon submission of the OMA, a GAXM will be created in I/3 Financial.
 - c) Object code 2810 Organization Dues must be used.
 - d) I/3 approvals will include the Iowa Lottery CEO.
 - e) Print the GAXM and attach all necessary supporting documentation and send it to SAE Daily Processing.
 - f) SAE Daily Processing applies final I/3 approval.

NOTE: Memberships shall not be paid on a Pcard or reimbursed to an employee on a TP.

Information included on the GAXM will be published on the State's transparency website.



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Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

Date: June 29, 2021

To: Lottery Board of Directors

From: Larry L Loss

Re: Key Employee Pay Plan and Compensation

The Board approves compensation for Lottery key employees and we are asking you to do that again today. When setting key employee salaries, the Iowa Lottery has been guided by the State of Iowa's approach.

1-Key Employee Pay Plan

The State of Iowa has approved that all contract and non-contract covered employees will receive a 1.1% across-the-board increase effective the pay period beginning June 25, 2021.

We are asking that the Board also approve an across-the-board pay increase of 1.1% for Lottery key employees effective with the June 25, 2021 pay period.

2-Key Employee Compensation

The State of Iowa has authorized agencies to grant with-in grade increases, up to 3%, up to the pay grade maximum for employees on their increase eligibility date. Such increases are discretionary and based on performance.

Overall, the Lottery has budgeted for merit increases for all eligible employees, and does not intend to exceed that budgeted amount.

The Lottery intends to make decisions on with-in grade increases on an individual basis, based upon performance, for all Lottery key employees.

We are asking the board for the authority to approve with-in grade increases, up to 3%, for Lottery key employees based upon performance up to the maximum level in the key employee's paygrade, with that raise being available on the increase eligibility date for the eligible key employee.

FY22 Pay Plans - Lottery Key Employee

Pay Grade	CURRENT		1.1 % ATB		
	Minimum	Maximum	Minimum	Maximum	
00	Hourly	\$ 30.18	\$ 46.65	\$ 30.51	\$ 47.16
	Biweekly	\$ 2,414.40	\$ 3,732.00	\$ 2,440.80	\$ 3,772.80
	Annually	\$ 62,774.40	\$ 97,032.00	\$ 63,460.80	\$ 98,092.80
01	Hourly	\$ 33.59	\$ 51.65	\$ 33.96	\$ 52.22
	Biweekly	\$ 2,687.20	\$ 4,132.00	\$ 2,716.80	\$ 4,177.60
	Annually	\$ 69,867.20	\$ 107,432.00	\$ 70,636.80	\$ 108,617.60
02	Hourly	\$ 43.20	\$ 67.74	\$ 43.68	\$ 68.49
	Biweekly	\$ 3,456.00	\$ 5,419.20	\$ 3,494.40	\$ 5,479.20
	Annually	\$ 89,856.00	\$ 140,899.20	\$ 90,854.40	\$ 142,459.20
03	Hourly	\$ 47.71	\$ 74.82	\$ 48.23	\$ 75.64
	Biweekly	\$ 3,816.80	\$ 5,985.60	\$ 3,858.40	\$ 6,051.20
	Annually	\$ 99,236.80	\$ 155,625.60	\$ 100,318.40	\$ 157,331.20
04	Hourly	\$ 52.76	\$ 82.73	\$ 53.34	\$ 83.64
	Biweekly	\$ 4,220.80	\$ 6,618.40	\$ 4,267.20	\$ 6,691.20
	Annually	\$ 109,740.80	\$ 172,078.40	\$ 110,947.20	\$ 173,971.20
05	Hourly	\$ 94.83	\$ 154.77	\$ 95.87	\$ 156.47
	Biweekly	\$ 7,586.40	\$ 12,381.60	\$ 7,669.60	\$ 12,517.60
	Annually	\$ 197,246.40	\$ 321,921.60	\$ 199,409.60	\$ 325,457.60