

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.00 – DEFINITIONS

Act	The North Carolina State Lottery Act, as may be amended from time to time
Activated Pack	The status of a pack of Scratch-Off Tickets which indicates to the NCEL that Tickets are being sold from that Pack.
Aggrieved Retailer	Any “Lottery Game Retailer” or an “Applicant” who complains of a matter within the scope of the Retailer Dispute Resolution Procedures as set forth in Section 8.02; provided, however, that persons or entities who have not yet taken the steps to become an Applicant may not be considered an Aggrieved Retailer with standing to file a “Dispute Resolution Request” pursuant to these procedures.
Alternate	A qualified entry selected during a specified Drawing to replace a Grand Prize winner who has been deemed ineligible.
Annual/ Annuitized/ Annuity Option	The manner in which a grand/jackpot prize may be paid in annual installments. The number of annual installments shall be determined by the NCEL for each applicable Game.
Applicant or Retailer Applicant	Any individual or entity who has properly and fully completed and submitted all portions of the application process (including the required financial and criminal background checks) to become a Lottery Game Retailer pursuant to the applicable procedures established by the NCEL from time to time.
Caption	The letters appearing below the Play Symbols in the play area of an Scratch-Off Ticket that verify the correctness of the Play Symbols.
Carolina Cash 5	A draw game where players select five (5) numbers between 1 and 43 via Quick Pick, play slip or retailer manual entry based on player’s verbal selections. The five (5) numbers selected become the player’s entry for the specified drawing(s) as noted on the ticket. Multiple boards and multiple draw options are available for this Game.
Carolina Keno	A fast draw game with a chance to win. For each drawing, 20 of 80 numbers are drawn and players can decide how many of these numbers (spots) they will try to match.
Carolina Pick 3	A draw game where players select a 3-digit number between 000 and 999 via Quick Pick, play slip or retailer manual entry based on player’s verbal selections. The 3-digit number selected becomes the

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	player's entry for the specified drawing(s) as noted on the ticket. Multiple boards, play types and draw options are available for this Game.
Carolina Pick 4	A draw game where players select a 4-digit number between 0000 and 9999 via Quick Pick, play slip or retailer manual entry based on player's verbal selections. The 4-digit number selected becomes the player's entry for the specified drawing(s) as noted on the ticket. Multiple boards, play types and draw options are available for this Game.
Certificate of Authority	The non-transferable display certificate with a unique Retailer identification number assigned by the NCEL for each Retailer location. The Act requires every Retailer to post this certificate and keep it conspicuously displayed in a location on the premises of the Retailer's place of business which is accessible to the public.
Claimant	A player who has submitted a claim for payment.
Claim Center	A North Carolina Education Lottery location designated by the Executive Director to pay claims for all prizes up to \$99,999.99.
Claim Form or Winner Claim Form	The printed form authorized by the NCEL that a player shall complete and submit to the NCEL along with a valid winning Ticket to be eligible to collect a prize.
Commission	The North Carolina State Lottery Commission created under the Act.
Computer Gaming System (CGS)	Master computer system of the NCEL that records all transactions processed by the Lottery.
Confidential Security Checks	Various procedures that consist of validation requirements maintained by the NCEL Security Department that are not available for public review.
Denial/Cancellation	The decision by the NCEL to deny/cancel any Applicant's application to become a Lottery Game Retailer for any reason.
Designee	An officer of the NCEL, other than the Executive Director, who is designated by the Executive Director to make a "Proposed Decision" pursuant to the Retailer Dispute Resolution Procedures.
Director of Security	NCEL employee responsible for the Security Department that investigates all matters regarding Lottery tickets and operations.
Display Monitor	A display monitor is attached or is a stand-alone screen used to promote lottery and/or display lottery drawings.

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Dispute Resolution Request	A written request by which an Aggrieved Retailer seeks a determination with respect to any matter which is within the scope of these Procedures.
Draw Game Ticket	Tickets produced by NCEL terminals to participate in Draw Games.
Drawing	Event in which the winning numbers, Entry and/or Alternates for the various NCEL games are selected.
Drawing Number	A specified interim drawing within a larger series of drawings.
Electronic Funds Transfer (EFT)	The process by which the NCEL transfers funds from its Retailers to pay amounts due the NCEL. Retailers provide authorization to the NCEL to allow funds to be removed from a dedicated Lottery bank account titled, "In Trust for the North Carolina Education Lottery".
Employee	Any at-will employee of the NCEL, and any person employed by the NCEL pursuant to an employment contract or otherwise.
End of Game	The official date established by the NCEL for the particular Scratch-Off Ticket Game to be unavailable for sale, after which the playing public has ninety (90) days to claim their winning Scratch-Off Tickets.
End of Game Inventory	Full packs and full cartons of games that have been designated to end. Full packs and full cartons are located in the SGI warehouse and partial packs are stored in the NCEL warehouse until destruction by SGI facility.
End of Game Packs	Any full or partial pack of unsold tickets for a scratch-off game that the NCEL has established an ending sales date.
Executive Director	The person selected by the Commission to be the chief administrator of the North Carolina Education Lottery.
Fast Play Game Ticket	Tickets produced by NCEL terminals that are specially-designed with instant gameplay results. Games may contribute to a shared progressive jackpot top prize that grows based upon sales of all Fast Play games or offer a game specific top prize.
Game Number	The number on the back of each Scratch-Off Ticket which refers to the number associated with the particular Scratch-Off Game.
Insufficient Credit Rating	A credit reporting bureau cannot produce a score due to lack of account history
Irrevocable Standby Letter of Credit	A guarantee by a bank to compensate the NCEL against default of payment by the Lottery Retailer.
Lottery Retailer/Retailer/	A person with whom the Commission has contracted to sell tickets or

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Lottery Game Retailer	shares in NCEL games.
NCEL	North Carolina Education Lottery created by the Act.
Draw Game	An NCEL lottery game developed and offered for sale to the public where tickets are produced by lottery terminals and players match their numbers to those produced during regularly scheduled drawings.
Pack	A package of Scratch-Off Tickets each with a different Ticket Number. The number of tickets in a pack may range up to three hundred (300). All Packs of Tickets of a specific game will have the same number of Tickets per Pack.
Pack Number	The unique number on the back of the Ticket that designates the number of the Pack from which the Ticket originates. Each Pack Number is unique within each Scratch-Off Game.
Pari-Mutuel	A payout method that splits the total available prize money for a particular prize level between all winners of that prize level.
Play Area	The printed area of a Fast Play Ticket or covered area of a Scratch-Off Ticket that contains the Play Symbols.
Play Slip	A preformatted selection form used for Draw Games to provide the requisite numbers selected by a player for participation in Draw Game draws.
Play Style	The method of play to determine a winner for an individual lottery game.
Play Symbol	The printed data on a ticket issued by the lottery terminal or under the covered area on the front of a Scratch-Off Ticket that is used to determine eligibility for a prize. The Play Symbols for individual Fast Play or Scratch-Off Games will be specified in individual Game Working Papers.
Policies and Procedures Manual	The document containing all the policies and procedures adopted by the Commission as required and permitted by the Act.
Powerball	A multi-state jackpot Draw game.
Prize Structure	The number, value and odds of winning prizes for an individual game, as approved by the Executive Director or his Designee.
Quick Pick	A randomly generated computer selection of the requisite numbers for a player to participate in Draw Game draws.

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Regional Office	A North Carolina Education Lottery office in various cities in North Carolina.
Retailer Business Location	Each respective location listed in the Retailer Contract from which the Retailer may sell only those specific NCEL Lottery games authorized for each such location by the NCEL.
Retailer Contract	The contract with the NCEL required by the Act whereby a Retailer agrees to comply with and be bound by the Rules and Regulations, as may be amended from time to time.
Retailer Contract Administration or RCA	NCEL Department that facilitates Retailer Applicant approval and Retailer licensing.
Rules and Regulations	Collectively, all of the rules, regulations, policies, procedures, instructions and directives established or made from time to time by the NCEL.
Settled Pack	The status of a Pack of Tickets which enables the NCEL to invoice (or settle) the Retailer's account based upon a pre-determined schedule.
Share	As defined in the Act, any valid tangible or intangible evidence of participation in a lottery game.
Spot	The amount of numbers a player may play for a Carolina Keno game, ranging from one (1) spot/number to ten (10) spots/numbers.
Surety Bond	A bond issued by a licensed insurance carrier for the benefit of NCEL to insure against default of payment by the insured Lottery Retailer
Ticket	As defined in the Act, any valid tangible evidence approved by the NCEL and distributed by its Retailers, to allow participation in a game or activity authorized by the Act.
Ticket Number	The number on the back of a Scratch-Off Ticket that refers to the Ticket sequence within the Pack.
Valid Ticket	The ticket which meets all specification and validation requirements.
Vendor	Any person other than a Lottery Retailer providing goods or services for the NCEL.

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Working Papers

For each Fast Play or Scratch-Off Game, a detailed set of specifications designating the appearance and Prize Structure of the Fast Play or Scratch-Off Tickets, and the delivery time requirements for the Scratch-Off Game.