

## 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 Instant Tickets which indicates to the NCEL that Tickets are being sold from that Pack.
Advance Play/ Purchase	A wager where players may purchase tickets for specific future drawings of an Online Game.
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 Instant Ticket that verify the correctness of the Play Symbols.
Carolina Cash 5	An online game where players select five (5) numbers between 1 and 39 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 Pick 3	An online 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

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.00 – DEFINITIONS

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".
Director of Security	NCEL employee responsible for the Security Department that investigates all matters regarding Lottery tickets and operations.
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 Procedures	The written guidelines approved by the Executive Director that specify the draw procedures for a particular Instant Game, if a drawing is designed as part of the game, and for each Online Game.
Drawing	Event in which the winning numbers, Entry and/or Alternates for the various NCEL games are selected.

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.00 – DEFINITIONS

Drawing Auditor	An independent Certified Public Accountant (CPA) responsible for the verification of the entire Drawing Procedure and validating the winning Entries at the conclusion of the Drawing, to ensure the integrity of each drawing.
Drawing Number	A specified interim drawing within a larger series of drawings.
Drawing Personnel	Each person who has a designated role during the Drawing. This includes the Drawing Manager, Drawing Auditor, Drawing Volunteers and any NCEL Witness.
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 Instant Ticket Game to be unavailable for sale, after which the playing public has ninety (90) days to claim their winning Instant Tickets.
Entrant	Anyone who submits a qualifying Entry into any specified drawing or promotion.
Entry	Qualifying Entry Form for any specified drawing or promotion.
Entry Envelope	A 4.125" by 9.5" envelope mailed to the specified entry address containing an Entry Form.
Entry Form	A single form produced by a NCEL terminal containing designated spaces for the following Entrant information: Name, Address, City, State/Zip, Phone Number, Signature and Email. An Entry Form has the date and time of purchase, Retailer Identification Number, Entry Ticket Number and Ticket Serial Number.
Entry Ticket Number	A unique number, printed exactly once in the play area on each Entry Form for a particular drawing or promotion, that represents the sequential order of Entries produced. The first Entry Form shall have Entry Ticket Number 1, the second Entry Form shall have Entry Ticket Number 2, and so on. This number shall be recorded in the Computer Gaming System (CGS) and shall uniquely identify the winning Entry Form.
Entry Deadline	The last day for NCEL or its designated drawing administrator to

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.00 – DEFINITIONS

	receive Entries that are valid for a specified drawing or promotion.
Entry Received Start Date	The first day the NCEL or its designated drawing administrator will accept entries that are valid for a specified drawing or promotion.
Executive Director	The person selected by the Commission to be the chief administrator of the North Carolina Education Lottery.
Game Number	The number on the back of each Instant Ticket which refers to the number associated with the particular Instant Game.
Game Procedures	The written rules, regulations, procedures, instructions and directives approved by the Executive Director that include, among other things, the game name, how a prize is won, game Prize Structure, Play Style and eligibility for a drawing, if any.
Insufficient Credit Rating	A credit reporting bureau cannot produce a score due to lack of account history
Internal Auditor	An employee of the NCEL who provides independent appraisal of NCEL operations and controls.
Lottery Retailer/Retailer/ Lottery Game Retailer	A person with whom the Commission has contracted to sell tickets or shares in NCEL games.
Major Procurement Contract	A contract with a Vendor for any purchase of service, apparatuses, supplies, materials or equipment requiring an estimated aggregate expenditure of Ninety Thousand Dollars (\$90,000.00) or more.
Multi-Draw	A play option that allows players to enter multiple, consecutive drawings of an Online Game.
NCEL	North Carolina Education Lottery created by the Act.
Online Game (OLG)	An NCEL lottery game developed and offered for sale to the public where tickets are produced by on-line lottery terminals and players match their numbers to those produced during regularly scheduled drawings.
Online Ticket	Tickets produced by NCEL terminals to participate in Online Games.
Pack	A package of Instant 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

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.00 – DEFINITIONS

number of the Pack from which the Ticket originates. Each Pack Number is unique within each Instant Game.

Panel	The requisite numbers and the associated letter which constitute a single game panel on a Play Slip of an Online 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 covered area of an Instant Ticket that contains the Play Symbols.
Play Slip	A preformatted selection form used for Online Games to provide the requisite numbers selected by a player for participation in Online Game draws.
Play Style	The method of play to determine a winner for an individual lottery game.
Play Symbol	The printed data under the covered area on the front of an Instant Ticket that is used to determine eligibility for a prize. The Play Symbols for individual Instant Games will be specified in individual Game Procedures.
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 on-line game.
Preliminary Drawing	An event in which Instant Tickets which display the appropriate Play Symbols and which are received by the specific deadline are utilized for the selection of contestants for a Grand Prize Drawing.
Prize Structure	The number, value and odds of winning prizes for an individual game, as approved by the Executive Director or his Designee.
Prize Validation Manager	NCEL employee who oversees the claims and payment of prizes.
Quick Pick	A randomly generated computer selection of the requisite numbers for a player to participate in Online Game draws.
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.

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.00 – DEFINITIONS

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.
Retailer Dispute Resolution Request	A written request by which an Aggrieved potential or contracted Retailer seeks a determination with respect to any matter affecting the Retailer Contract and within the scope of the Retailer Dispute Resolution Policy.
Retailer Identification Number	Number designating a particular retailer authorized to sell NCEL tickets and promotions.
Retailer Validation Code	The small letters found under the covered area over the Play Symbols on the front of the Instant Ticket which the Lottery Retailer uses to verify and validate Low-Tier Prize winners.
Retailer Verification Code or Verification Code	A boxed four (4) digit number used by the Retailer when validating Instant Tickets on a Lottery terminal.
Rules and Regulations	Collectively, all of the rules, regulations, policies, procedures, instructions and directives established or made from time to time by the NCEL.
Security Code	The unique data printed on a Ticket that provides for the verification of the Ticket as a valid winner.
Security Deposit	A cashier's check, a money order, a surety bond or a letter of credit payable to NCEL to insure against default of payment by a Lottery retailer.
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.
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.

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.00 – DEFINITIONS

Ticket Number	The number on the back of an Instant Ticket that refers to the Ticket sequence within the Pack.
Ticket Serial Number	Number found on all Online Tickets and promotional Tickets that represents the unique transaction which produced the Ticket.
Transaction Master Information Record (TMIR)	Search of all the trans-master journal files of the Computer Gaming System (CGS) that produces a report identifying a specific requested transaction.
Valid Ticket	The ticket which meets all specification and validation requirements.
Variant	A term used in conjunction with certain Instant Game Play Styles and may include a Play Symbol that serves as a “wild card” to complete a winning set of Play Symbols.
Vendor	Any person other than a Lottery Retailer who submits a bid, proposal or offer to procure a contract for goods or services for the Commission.
Working Papers	For each Instant Game, a detailed set of specifications designating the appearance of the Instant Tickets, the Instant Ticket delivery time requirements and Prize Structure for the Instant Game.