

***Social & Charitable Gambling Website and Online Licensing***  
**Department of Inspections and Appeals**  
***Social & Charitable Gambling Unit***  
**Executive Summary**  
**Presented to IOWAccess Advisory Council**  
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**Project Sponsor:** Dean Lerner, Director / Beverly Zylstra, Deputy Director - Iowa Department of Inspections and Appeals (Department)

**Project Points-of-Contact:** David Werning, Department of Inspections and Appeals, I/T Projects Coordinator, (515) 281-7376

**Goal:** The new Social & Charitable Gambling online application will benefit those individuals and organizations seeking to obtain a social or charitable gambling license to operate a fundraising activity, which will ultimately benefit civic, patriotic, religious, charitable and educational purposes throughout the State. The system will not only provide a complete description of the various license types, but will also contain the requirements for each license and ready access to frequently asked questions specifically tailored to each particular license. Individuals and organizations will be able to immediately determine whether they qualify for a license by answering customized questions related to each license type.

This project will achieve several goals including 1) Allow organizations to apply for licenses and existing license holders to re-apply for licenses and pay license fees online through the web site; 2) Allow the public, including Iowa citizens and tourists, the ability to look up the location of S&C Gambling events and activities; 3) Allow authorized personnel to update selected information about the license holder's organization; 4) Automate and streamline the application and re-application processes.

**Project Purpose:** Last year the Department issued 3,157 licenses for social and charitable gambling operations. This represents an 18 percent increase in the number of gambling licenses issued when compared to fiscal year 2001. With new rules established during the 2007 legislative session and improved compliance, a 33% increase in license applications is expected.

The new system is being developed upon a clearer understanding of the end-user's needs. Licensing wizard functionality will take the user through the application on a step-by-step basis. The initial web page contains not only a brief description of each specific license type, but also contains links to statutes, rules, and frequently asked questions regarding each license type. These "linked pages" will be maintained by the Department so that the information is always updated and accurate.

The current application, renewal, and reporting processes are heavily dependent on paper forms and correspondence. Conversion to an online application process will not only simplify the steps involved, but will also result in significant cost or time savings for the Department and for individuals and organizations that apply for and renew licenses and report quarterly.

Filing of quarterly reports is often a "hit-of-miss" proposition. Reminder notices are mailed to delinquent filers as time and resources permit. The new online application system is designed to prevent the issuance of a license to any organization that is delinquent in its quarterly report filings.

In the current process, historical data cannot be analyzed for licensing trends. This became an issue during the recent General Assembly as changes to the social and charitable gambling laws were being debated. The Department was unable to provide information regarding the number of active licensees as its current database overwrites all historical data. The new system is designed to maintain the integrity of all data, track changes to data, and will permit the

manipulation of data so that variables can be identified and reports generated to address specific legislative and public requests for information.

Social and Charitable Gambling proceeds generate an estimated \$2.0 million in sales tax revenue for the State of Iowa. The new system is designed to prevent the issuance of a license to any organization that is delinquent in its sales tax (or other tax) payments. This feature is built upon a coordinated effort between the Department of Inspections and Appeals and the Department of Revenue to maximize accountability for tax obligations incurred by organizations licensed by the State of Iowa.

**Background:** In fiscal year 2003, the Department undertook a project to automate the licensing of social and charitable gambling activities. Included in this project was the conversion of the Department's "custom-made" Access database and paper based forms to an online web site and database. Funding for the development of this project was provided by a grant from the IOWAccess Advisory Council.

While the software was developed, deployment was never realized. Issues materialized during this first attempt at automation that necessitated further internal review of the Unit's business processes. Lessons learned during this project are described in the ROI Funding Request Document.

In order to compensate for the shortcomings in the Department's original proposal, a new approach to the licensing of social and charitable gambling activities was developed. This approach utilized a comprehensive review of the Social and Charitable Gambling Unit's business processes facilitated by staff from the Information Technology Enterprise (ITE). This review has resulted in a cleaner, more streamlined licensing process, which not only provides for a "licensing wizard" that walks the user through the application process but helps the user determine the appropriate license for the specific activity.

As part of the business process review, it was determined that Department could not continue to operate its social and charitable gambling program on a business-as-usual basis. The Department's administration is committed to advancing the concepts of e-government and e-commerce, making all licensing processes available to the general public via the Internet, permitting the online payment for licenses, and – most importantly – simplifying the process by reducing needless hurdles to the applicants, license holders, and the general public.

**Request:** This is a request for Execution and Closure Phase funds. The Department funded extensive Planning, Analysis and Design phases plus the initial start of the Execution Phase. Additional funds from IOWAccess are needed to complete the project to obtain the benefits.

The amount requested for Execution and Closure Phases is \$160,000.

**Cost Avoidance:** An enhanced system will reduce staff hours required to process applications for license applications and renewals, reduce printing, mailing and postage expense, and decrease paperwork for the state and for social and charitable gambling organizations. When fully implemented and adopted, an estimated 66% of these organizations will take advantage of online registration, payment system and quarterly reporting.

**Interested Parties:** Parties interested in this project include the following:

Department of Inspections and Appeals  
Department of Revenue  
Department of Public Safety

**Some of the Recipients of this Service:**

Citizens – local and tourists  
Social and Charitable Gambling Organizations  
Social and Charitable Gambling Unit