NORTH DAKOTA LOTTERY

Policy on Non-Payment of Electronic Funds Transfer by a Retailer

April 2026

A retailer must designate a bank account with a financial institution that has the capability of electronic funds transfer (EFT) to the North Dakota Lottery. The account is used for the deposit of monies derived from sales of lottery tickets. The amount deposited each week must be sufficient to cover the amount due the Lottery. The Lottery will withdraw by EFT the amount due on Tuesday of each week. If the day specified for a withdrawal falls on a financial institution holiday, the withdrawal will occur the following business day.

Even if an EFT account is just one cent short of having sufficient money at the time of the EFT sweep, the entire transaction will be classified as Non-Sufficient Funds (NSF). The North Dakota Lottery has established the following policy for handling an NSF:

> When the Lottery is notified that a retailer's EFT failed due to insufficient funds or other reasons, the Lottery will immediately notify the retailer of the NSF and will request that the retailer overnight a cashier's check or money order to cover the NSF. If a nonsufficient funds transfer is not immediately covered, the Lottery may disable the retailer's lottery terminal until the Lottery receives full payment. Also, the Lottery will review the retailer's credit history and take appropriate action to protect the Lottery, including requiring a security deposit or revoking the Lottery license. A nonsufficient funds charge assessed by the retailer's or Lottery's financial institution is the responsibility of the retailer.

The North Dakota Administrative Code § 10-16-02-08 states:

1. A retailer shall maintain a bank account at a financial institution that is insured by the federal deposit insurance corporation or federal savings and loan insurance corporation, located in North Dakota, and that is capable of electronic funds transfer. This account may be a special or general account used for deposit of money derived from selling a ticket. The amount deposited must be sufficient to cover the amount due the lottery. This amount is generally computed as gross sales, less the retailer's sales commission and value of validated redeemed winning tickets. The retailer shall deposit the amount in the account within one banking day after the date of the sale by the retailer. The lottery may transfer the amount due to the lottery on a weekly basis or on demand by electronic funds transfer on a day specified by the lottery. If the day specified for the transfer is on a federal or state holiday, the transfer will be done on the following business day. The lottery may establish a payment term with a retailer to address a situation unique to that retailer. The retailer shall hold the money derived from selling a ticket in trust and in a fiduciary capacity for the lottery. The retailer is personally liable for

the money owed the lottery and may not pledge the money in the account as collateral for a loan.

2. The lottery shall notify a retailer of the amount that is to be transferred from the bank account to the lottery before the electronic funds transfer occurs. A retailer shall notify the lottery of an error or dispute of the amount twenty-four hours before the transfer occurs.

3. A retailer shall pay the amount of a nonsufficient electronic funds transfer immediately by a certified or cashier's check or money order. If a nonsufficient funds transfer is not immediately covered, the lottery may assess the retailer a monetary fine, disable the terminal until the amount is paid or issue is resolved, or suspend or revoke the retailer's license, or take any combination of these actions. The lottery may assess the retailer a service charge for the nonsufficient funds transfer.