With many retail c-stores purchasing and selling lottery games, there is a need to be able to monitor and inventory lottery gaming products. Pinnacle takes Lottery Management to the next level.

Lottery Management is part of the Retail C-Store solution suite providing store managers with the ability to maintain and control their lottery instant ticket inventory; and the home office the ability to reduce theft by monitoring instant ticket inventory levels. The Lottery Management solution provides an easy to use and follow user interface.

While Pinnacle’s Lottery Center provides ease of use, planning and considerations need to be made. A few things that need to be considered:

- Description of Ticket Book
- How many tickets are in the book?
- What is the ticket price?
- What BIN will the book be stored in?
- Will the book BIN’s need to be changed?
- Will books be split?
- Do ticket numbers and books need to be sold in reverse order?

Ticket Book Basics
Lottery games (also referred to as instant tickets and scratch-off tickets) are purchased in a book format. The amount of tickets in a book may vary from game to game but each specific game will always have the same count. Typically books are sold in denominations of $300. So for $1.00 tickets the book would consist of 300 tickets, $2.00 tickets = 150 tickets, $5.00 tickets = 60 tickets, $10.00 tickets = 30 tickets, etc.

Each lottery game ticket book contains a serial number and indicates the starting and ending ticket numbers contained in the ticket book. The ticket number range within a ticket book can vary from game to game. Ticket numbers within the same lottery game will always contain the same ticket number range within a ticket book. Tickets within each ticket book have a serial number and barcode. The barcode typically contains a unique book ID and the ticket number within that particular book. Some tickets may also have an additional “SKU” barcode intended to be scanned at a POS. The intention of the second barcode is to identify the lottery game and/or game price. All tickets within a book have the same game price but ticket prices across games may vary.

Like many other products, lottery ticket books have a lifecycle. Lottery games change over time as the lottery supplier or state government markets new games making others obsolete. When a game becomes obsolete, it is identified as being expired. Often the ticket books have an expiration date printed on them, as the expiration is pre-determined before the book is even delivered. Once expired, tickets for the expired game should not be sold, and any books for the expired game are returned to the supplier.
Books and Games
Lottery Center was designed to accommodate the many tasks associated with instant games. Whether managing Games, Winners, Books or adding new books, the user friendly interface provides easy navigation from task to task with a simple tab selection.

Books

New book setup is strictly dedicated to setting up and activating books.
- Book description specifics
- BIN
- Shift specifics
- Number of tickets in book
- Ticket price
- Book activation

New books are not activated when they are received by retailers. Typically, new books will be inventoried and stored and not activated until they are needed for stock replenishment. By not activating the books, the risk of theft is reduced. The Lottery Center will not authorize any redemption of a winning ticket that has not been activated.

While Pinnacle’s Lottery Center provides ease of use, there are many book handling scenarios to consider when maintaining books:
- Move books from one BIN to another
- Assign a BIN to a new book
- Split a book
- Handle tickets being sold out
- Return books to the State
- Handle a book that was unintentionally activated
- Handle tickets that were sold out of order
- State requires tickets to be sold in a specific book order
- Settle returned or sold out books

There may be times where a book may need to be split for operational purposes. Splitting a book means that a single physical book is split into multiple books that are then tracked as separate books until they are either sold out or returned. Effectively, each section of the book will be tracked as a separate book. Although when each section is sold out, the book will again be treated as a single book and merge back together to be recorded as “closed out” for reconciliation purposes.

- A few examples of why a book may be required to be split:
- A book is running low so to increase sales; the book is split and placed at each POS location.
- A book could accidently be placed in the BIN in reverse order meaning the ticket number would sell highest to lowest. In order to straighten out this situation, the book is split at the current ticket number. The part that has been sold is treated as a “sold out” book. The remaining portion would be flipped around to be in the proper order and treated as a new book.

Games
Lottery Center provides the functionality to be able to Change BIN’s, mark books as sold out, split books, reverse the book order, settle books, return and deactivate books.
- Games and Prizes
- Games and their associated prizes are easily managed
- Game Description
- Ticket Price
- Associated Books
- Ticket Numbers
- All available prizes available for particular game

Lottery Game Ticket Basics
Once activated and placed in a BIN, instant tickets are typically sold and paid for at the POS. The ticket can be sold using an open department key and manually keying in the selling price of the ticket. Games may also be sold by scanning the SKU barcode which captures the game and selling price automatically.

Some states may require the sale of game tickets to be recorded on the state lottery terminal. In such case the state terminal may provide reporting for sales of instant tickets by game, or even the detail of the exact tickets that were sold. In this case, retailers may operate a completely separate cash drawer for lottery.
Ticket Calculation

Instant ticket sales can be calculated by subtracting the next available ticket number to the previous shift’s next available ticket number and then multiplied by dollar value of the ticket as setup in the “Games” tab. The calculated sales based on ticket change in inventory should be in agreement with the POS sales and/or the lottery terminal sales.

Discrepancies may be due to:

- Lottery ticket theft
- The instant lottery ticket counts were incorrectly made because:
  - The ending ticket number was misread
  - The book was backwards, causing the next available ticket number to be invalid
  - An entire book was sold and not accounted for because it was never entered into the system.
  - Sales were recorded incorrectly on the POS (either the lottery POS or the store POS)

Inventory

Best practice is to inventory non-activated and activated books separately. Non-activated books will be easier to account for since they are typically kept in a secure safe which has limited accessibility. Tickets may be inventoried by the total number of tickets and/or by the selling price of the tickets. In rare cases, inventory may be broken down by the game if different games contain different ticket face values.

Winning Tickets

Lottery management consists of more than just setting up and selling tickets. Winning ticket must also be accounted for. Winning tickets may consist of a cash value or in some instances a free ticket.

Random tickets within a book will contain prize winning tickets. When the ticket has been validated to be a winning ticket, the store will pay out the amount of the winning ticket to the customer. There may be instances where the winning amount is more than what the store can pay out. In some cases, the store is only responsible for paying on winning tickets that are below a certain amount. For larger winnings, the state will pay the consumer directly with a check or deposit. There may also be instances where a store doesn’t have enough cash on hand to pay on a winning ticket.

Pinnacle’s Lottery Center allows for filtering on games which returns the prizes for the game selected only. This simplifies the search process necessary for updating the winning tickets with the associated prize level.

Lottery Center also provides an audit function that verifies that the store and lottery system are in agreement with the tickets indicated as winners.

Daily Tasks

From within the MWS Store checklist, daily tasks are setup for Lottery Center activities. The checklist provides ease in recording of daily sales and printing of worksheets and lottery reporting.

Lottery Center Highlights

There are a lot of considerations when it comes to Lottery Management. Pinnacle’s Lottery Center contains functions that are crucial to instant games sales and inventories.

- Setup games in the system
- Prize setup
- Add and activate books
- Deactivate book
- Return, sell out or settle books
- Change book BIN’s
- Delete unopened books
- Split books
- Reverse ticket numbers or books
- Enter daily paid outs for winning tickets
- Audit winners
- Lottery reporting

With the increasing amount of lottery games that are continuously introduced, receiving, maintaining and settling tickets and books can be overwhelming and time consuming. Pinnacle’s Lottery Management solution provides ease of use, an extensive list of management capabilities and time reduction by reducing manual processes required when not using a Lottery Management Solution.

To learn more about Pinnacle and Lottery Management please visit our website at www.pinncorp.com or contact our sales team at 1-800-366-1173.