

## DEFINITIONS

BONA FIDE MEMBER means a member in good standing of the licensee who has other duties, beyond conducting lotteries, within the organization. 'Members of convenience' whose only duty is to assist with the raffle lottery are not considered bona fide members.

BOOKS AND RECORDS means documents outlining financial details of lottery events and includes, but is not limited to, ledgers, sub ledgers, cheque books, cheque stubs, deposit books, deposit slips, bank statements, cancelled cheques, receipts, invoices, and control sheets.

REGISTRAR means the Registrar of Alcohol and Gaming.

LICENSEE means an organization which has been issued a licence to conduct a lottery under Section 207 of the Criminal Code.

LICENSING AUTHORITY means a person or authority specified by Lieutenant Governor in Council as a licensing authority for purposes of section 207 of the Criminal Code of Canada.

RAFFLE means a lottery scheme where tickets are sold for a chance to win a prize at a draw and includes 50/50 draws, elimination draws, calendar draws, sports raffles and rubber duck races.

Any raffle licence issued is subject to the following terms and conditions and may be subject to audit and investigation by the licensing authority. A breach of any term and condition can result in the cancellation or suspension of the licence or in criminal prosecution.

It is a condition of each licence that:

### (1) GENERAL

1.1 The licensee shall be responsible and accountable for the overall management and conduct of the raffle.

1.2 The licensee shall control and decide all operational, administrative and staffing requirements related to the conduct of the raffle.

1.3 The licensee shall comply with all federal, provincial and municipal laws including the Criminal Code of Canada and the Gaming Control Act, 1992 and Regulations.

1.4 The licensee shall conduct the raffle in accordance with the information supplied on the application and approved by the licence.

1.5 The licensee shall produce the licence on demand.

## (2) STAFFING

2.1 The licensee shall designate at least two (2) bona fide active members to be in charge of and responsible for the conduct of the raffle. The designated members in charge shall be at least 18 years of age and be responsible for:

- a) supervising all activities related to the conduct of the raffle;
- b) completing and filing the required financial report on the results of the event;
- c) ensuring that all terms and conditions of the licence and any additional conditions imposed by the licensing authority, are complied with;
- d) supervising all ticket sellers;
- e) keeping all required records and depositing all monies into the designated lottery trust account;
- f) reconciling all tickets.

2.2 The licensee may recruit sufficient persons to assist with the sale of tickets.

2.3 The licensee may use the services of a person to assist in the conduct of the raffle provided the person is registered under the Gaming Control Act, 1992 and Regulations or is otherwise exempt.

2.4 The licensee shall not allow any person, who has had a registration under the Gaming Control Act, 1992 revoked or refused, to participate in any way in the conduct of the event.

## (3) CONDUCT OF THE EVENT

3.1 The licensee shall establish rules, consistent with these terms and conditions, governing the conduct of the raffle and the awarding of prizes. Rules shall be made available to ticket purchasers and shall be approved by the licensing authority.

3.2 Once the first ticket is sold, the licensee shall complete the raffle and award the prize(s) as approved in the application for licence whether or not all tickets have been sold.

3.3 Winner(s) shall be determined in the manner set out and approved in the application. For stub draws, only the sold ticket stubs shall be used for draw purposes.

#### (4) TICKET REQUIREMENTS

4.1 The licensee shall print only the number of tickets indicated and approved in the application for licence.

4.2 Tickets shall be consecutively numbered.

4.3 a) The licensee shall have tickets printed in two parts which shall contain the following information:

- i) the licence number;
- ii) the name of the licensee;
- iii) the location(s), date(s), and time(s) of the draw(s);
- iv) a description, including the nature, number and value of the prize(s) to be awarded;
- v) the price of each ticket;
- vi) the number of the ticket, and;
- vii) the total number of tickets printed.

b) On the part retained by the organization (for draw or record purposes):

- i) the number of the ticket;
- ii) the licence number and the name of the licensee;
- iii) adequate space for the name, address and telephone number of the ticket purchaser.

4.4 NOT APPLICABLE FOR OUR RAFFLE. If tickets are to be discounted from the regular price (i.e. \$1.00 or 3 for \$2.00), then the prices shall be indicated and printed on each ticket.

4.5 At the request of the licensing authority, the licensee shall provide a sample of the ticket.

4.6 The licensee shall not use any type of 'scratch and win' ticket.

4.7 Where prizes are donated, and the donor and the licensee agree, the donor name or company name may be included on the ticket, provided that the name of the licensee is more prominent.

4.8 Tickets shall not bear any coupon, promotional or advertising material unless it is promoting the licensee and approved by the licensee.

#### (5) TICKET SALES

5.1 The licensee shall not allow any person apparently under the age of 18 to purchase a ticket.

a) the licensee shall not allow any person apparently under the age of 18 to sell tickets, transport tickets or funds raised from selling tickets to or from the organizers.

5.2 The licensee may accept cheques and shall be responsible for ensuring that the proceeds from the ticket sales are received. Any processing charges for this type of payments shall form part of the expenses for the raffle.

5.3 The licensee shall ensure that:

- a) Raffle ticket orders are not solicited or accepted from persons located outside of Ontario;
- b) The vendor and purchaser of raffle tickets must both be physically present in Ontario at the time the sale takes place;
- c) The raffle lottery scheme is not advertised, promoted or otherwise marketed to persons located outside of Ontario.

5.4 The licensee shall ensure that:

- a) Raffle ticket orders are not solicited or accepted from persons who are employed by L'École Edward Johnson Public School
- b) Raffle ticket orders are not solicited or accepted from persons who are members of the L'École Edward Johnson School Council executive or volunteer on the fundraiser committee.

## (6) PRIZES

6.1 The winner(s) of the prize(s) shall be determined and publicized in the manner set out and approved in the application.

6.2 The licensee shall be responsible for awarding all prizes and for making all reasonable efforts to contact the prize winner(s).

6.3 Any prizes which are not claimed shall be secured or placed in safekeeping for a period of one year from the date of the draw. If at that time the prize has still not been claimed, the prize or monies equivalent to the fair market value of the prize shall be donated to a beneficiary approved by the licensing authority.

6.4 Only the prize(s) as described and approved in the license application shall be awarded.

6.5 The value of the prize(s) shall include the amount of any duty, tax, sales tax or other cost. Prize(s) shall be awarded free and clear of any mortgage, lien or any other encumbrances.

6.6 All tickets will be placed in the drum prior to drawing for any prizes. Once a ticket has been drawn for a prize the winner's ticket will be returned to the drum for a chance to win the subsequent prizes.

## (7) ADVERTISING

7.1 The licensee shall be responsible for the design, placement and payment of any advertisements.

7.2 a) Print advertisements shall clearly state:

- i) the name of the licensee;
- ii) the licence number(s) issued;
- iii) the location, date and time at which the draw is to be held including the location, date and time of each early bird draw and the cut-off time for each early bird draw;
- iv) a description of the prizes to be awarded, including their value;
- v) the total number of tickets to be printed and the price of the ticket.

b) Radio and television advertisements shall provide, as a minimum, the name of the licensee and the licence number(s) issued.

7.3 The licensee shall supply samples of advertising and promotional materials to be used in connection with the raffle if requested to do so for approval by the licensing authority.

7.4 The licensee shall not engage in any advertising that,

- a) implies that participating in a lottery event promotes or is necessary for social acceptance, personal success, financial success or the resolution of any economic, social or personal problem;
- b) contains endorsements by well-known personalities that may appeal to persons under the eighteen years of age; or
- c) is specifically directed at encouraging individuals under the age of eighteen to participate in a lottery event.

7.5 Any advertising or promotional activities by celebrities must be provided at no cost to the licensee.

## (8) PROCEEDS AND EXPENSES

8.1 The net proceeds derived from the conduct of the raffle shall be used for the charitable and religious objects or purposes in Ontario as approved in the application for licence.

8.2 All prizes and expenses incurred as a result of conducting the raffle shall be deducted and paid out from the gross receipts derived from the raffle. The licensee shall not use monies from any other source to pay for raffle expenses.

8.3 The Registrar may limit the amount, which may be paid for expenses.

8.4 Expenses shall be directly related to the conduct of the raffle.

8.5 Each expense shall be individually calculated and paid separately by cheque, drawn on the designated lottery trust account described in Section 10. The licensee shall pay each gaming supplier separately.

8.6

a) Ticket sellers may be paid a sales commission not to exceed 5% of the price of each ticket sold.

b) Sales commissions may be paid by cash provided they are supported by a receipt.

#### (9) BOOKS AND RECORDS

9.1 A serial number record shall be maintained showing the distribution of tickets, including the names of sellers, and the return of ticket stubs, cash, unsold or returned tickets to reconcile all tickets and cash at the end of the raffle.

9.2 The licensee shall retain all unsold tickets, and stubs or counterfoils of sold tickets for a period of one year from the date of the (last) draw.

9.3 The licensee shall obtain receipts for each expense incurred.

9.4 The licensee shall maintain a detailed record of how profits from the raffle have been dispersed.

9.5 The licensee shall maintain books, records and other documents in support of all financial reports or statements. These records shall be kept up to date and be retained for no less than four (4) years from the date of the raffle.

9.6 The licensee shall provide officers appointed by the licensing authority and all peace officers unencumbered access to all books and records related to the conduct of the raffle and shall deliver these documents to the licensing authority when requested. The books and records may be retained by the licensing authority for audit and investigation purposes.

#### (10) BANKING AND FINANCIAL

10.1 The licensee shall open and maintain a separate designated lottery trust account to administer all funds related to the conduct of lottery events. The licensee shall have the option of:

- a) opening and maintaining one designated lottery trust account to administer all lotteries conducted by the licensee; or
- b) opening and maintaining separate designated lottery trust accounts for each type of lottery conducted by the licensee.

10.2 Each designated lottery trust account shall be maintained in the name of the licensee, in trust, and shall have the following features:

- a) cheque writing privileges and monthly statements issued;
- b) all cheques returned with monthly statement.

10.3 Any interest accrued on the lottery trust account shall be used for the charitable purposes of the licensee.

10.4 In administering the lottery trust account, the licensee shall:

- a) appoint a minimum of two signing officers, who shall be bona fide members of the licensee, to administer the account and write cheques;
- b) deposit into the account all monies derived from the operation of any and all lottery events. Monies shall be deposited as soon as it is practical to do so;
- c) ensure all withdrawals are made by cheque;
- d) ensure cheques are written only for the payment of the expenses incurred in the conduct of the lottery and the donation of net proceeds for the charitable purposes approved on the application for licence.

10.5 The licensee shall not:

- a) i) where only one designated lottery trust account is maintained, deposit monies received from any source other than lottery events conducted by the licensee into the designated trust account, or;
  - ii) where a separate designated trust account for raffle lotteries has been established, deposit monies received from any other source in the designated raffle lottery account;
- b) transfer funds from the designated lottery trust account into an operating or general account of the licensee;
- c) close the designated lottery trust account until all monies have been donated to approved charitable purposes and a report has been submitted to the licensing authority.

10.6 Where only one designated lottery trust account is maintained, the licensee shall maintain separate ledgers outlining financial details of each lottery event conducted including proceeds derived from each, expenses paid in the conduct of each lottery event, and a list of how proceeds have been dispersed.

## (11) REPORTING REQUIREMENTS

11.1 The licensee shall provide the licensing authority with a financial report outlining the results of the raffle on the prescribed form. The following documents shall accompany the financial report:

- a) copies of all deposit slips related to the event;
- b) a list of winners.

11.2 The financial report shall be filed within 30 days of the date of the last draw. The licensing authority may request additional documents deemed necessary to substantiate the particulars of the event which may include receipts for each expense incurred.

11.3 The licensee shall indicate any prizes which have been donated on the financial report. The value of the donated prizes shall not be deducted from the gross receipts.

11.4 The licensee shall provide the licensing authorities with a verified financial statement on a yearly basis outlining the financial details of all lottery events conducted. The financial statement must be submitted within 180 days of the organization's year end.

11.5 The type of financial review required will depend on the annual net proceeds derived from the conduct of lottery events:

- a) Licensees which realize net proceeds of less than \$50,000 from the conduct of lottery events shall provide a financial statement verified by the signing officers of the lottery trust account and the organization's Board of Directors, or;
- b) Licensees which realize total net proceeds of \$50,000 or greater from the conduct of all lottery events during their fiscal year shall provide to the licensing authority either:
  - i) Financial statements which have been reviewed by a public accountant in accordance with sections 8100 and 8200 of the CICA Handbook; General Review Standards and Reviews of Financial Statements, respectively. In addition, such licensees must also provide a Review Engagement Report, addressing compliance with terms and conditions and regulations relating to the lottery events. The latter report must be prepared by a public accountant in accordance with section 8600 of the CICA Handbook, or;
  - ii) In the alternative, when a licensee must obtain audited financial statements in normal course, the licensee may submit such audited financial statements if the statements disclose in a clear and concise fashion the financial details of the lottery events conducted. If audited financial statements are submitted, the licensee must also provide a Review Engagement Report as described above or an Auditor's Report on Compliance with Agreements, Statutes and Regulations prepared



by a public accountant in accordance with section 5815 of the CICA Handbook.

11.6 Where requested, the licensee shall provide an audited financial statement to the licensing authority within 120 days of the request or such other time limit as may be imposed by the licensing authority.

11.7 The licensee may use lottery proceeds to pay for expenses related to the preparation of the yearly financial statements. This expense shall not be included in any expense maximum within the terms and conditions.