

## Raffle Licence Terms and Conditions

### 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.

**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.

**Registrar** means the Registrar made under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*.

### STATEMENT OF APPLICABILITY

Any raffle licence issued is subject to the following terms and conditions and the *Lottery Licence Terms and Conditions (4240)*. In addition to these terms and conditions, electronic raffles are subject to the *Electronic Raffle Operational Terms and Conditions (6049)*. Raffle licences 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 prosecution.

It is a condition of each licence that:

#### (1) GENERAL

- 1.1 The licensee is responsible and accountable for the overall conduct and management of the raffle.
- 1.2 The licensee must control and decide all operational, administrative and staffing requirements related to the conduct of the raffle.
- 1.3 The licensee must 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 must conduct the raffle in accordance with the information supplied on the application and approved by the licence.

**1.5** The licensee must produce the licence on demand.

## **(2) STAFFING**

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

**3.2** Once the first ticket is sold, the licensee must 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) must be determined in the manner set out and approved in the application. For stub draws, only the sold ticket stubs must be used for draw purposes.

## **(4) TICKET REQUIREMENTS**

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

**4.2** Tickets must be consecutively numbered.

**4.3 a)** The licensee must have tickets printed in two (2) parts which must 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 If tickets are to be discounted from the regular price (for example, \$1.00 or three (3) for \$2.00), then the prices must be indicated and printed on each ticket.

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

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

5.2 The licensee may accept cheques, debit or credit card payments and must be responsible for ensuring that the proceeds from the ticket sales are received. Any processing charges for these types of payments must form part of the expenses for the raffle.

5.3 The licensee must 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.

## **(6) PRIZES**

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

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

6.3 Any unclaimed prizes must be held in trust by the licensee for a period not less than six (6) months from the date the prize was awarded. Licensees must keep records of the attempts made to contact the winner as part of the documentation retained under the terms and conditions of the licence. At the end of the six-month period, the total amount of the prize held in trust, including interest, or the value of a

merchandise prize equal to the manufacturer's retail listed price, must be included by the licensee in the gross proceeds of the lottery event.

- 6.4** Only the prize(s) as described and approved in the licence application must be awarded.
- 6.5** The value of the prize(s) must include the amount of any duty, tax, sales tax or other cost. Prize(s) must be awarded free and clear of any mortgage, lien or any other encumbrances.

## **(7) ADVERTISING**

**7.1** The licensee is responsible for the design, placement and payment of any advertisements.

- 7.2** **a)** Text advertisements must 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)** Audiovisual advertisements must provide, at a minimum, the name of the licensee and the licence number(s) issued.

**7.3** The licensee must 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 must 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 18 years of age; or
- c)** is specifically directed at encouraging individuals under the age of 18 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 must 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 must be deducted and paid out from the gross receipts derived from the raffle. The licensee must 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 must be directly related to the conduct of the raffle.
- 8.5** Each expense must be individually calculated and paid separately by cheque, drawn on the designated lottery trust account described in Section 10. The licensee must pay each Gaming-Related Supplier separately.
- a)** Ticket sellers may be paid a sales commission not to exceed five (5) per cent 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 must 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 must retain all unsold tickets, and stubs or counterfoils of sold tickets for a period of one (1) year from the date of the (last) draw.
- 9.3** The licensee must obtain receipts for each expense incurred.
- 9.4** The licensee must maintain a detailed record of how profits from the raffle have been dispersed.
- 9.5** The licensee must maintain books, records and other documents in support of all financial reports or statements. These records must 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 must 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 must 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 must open and maintain a separate designated lottery trust account to administer all funds related to the conduct of lottery events. The licensee has 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 must be maintained in the name of the licensee, in trust, and must have the following features:
- a)** cheque writing privileges and monthly statements issued;
- b)** all cheques or electronic images of backs and fronts of cheques returned with monthly statement.
- 10.3** Any interest accrued on the lottery trust account must be used for the charitable purposes of the licensee.
- 10.4** In administering the lottery trust account, the licensee must:

**a)** appoint a minimum of two (2) signing officers, who must 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 must 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 must 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 must 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 must provide the licensing authority with a financial report outlining the results of the raffle on the prescribed form. The following documents must accompany the financial report:

**a)** copies of all deposit slips related to the event;

**b)** a list of winners.

**11.2** The financial report must 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 must indicate any prizes which have been donated on the financial report. The value of the donated prizes must not be deducted from the gross receipts.

**11.4** The licensee must 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 gross annual revenues derived from all sources. A licensee that receives:
- a)** less than \$250,000 in gross annual revenues from all sources must prepare financial statements in accordance with the standards set out in the *CPA Canada Handbook*;
  - b)** \$250,000 or more in gross annual revenues from all sources must prepare financial statements in accordance with the standards set out in the *CPA Canada Handbook* which have been audited by a public accountant.
- 11.6** Where requested, the licensee must 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 must not be included in any expense maximum within the terms and conditions.