

The role of the Alberta Gaming and Liquor Commission and the intent of these Terms & Conditions is to ensure the integrity of licensed sports drafts in Alberta and to maximize the financial returns to charitable organizations.

### **A. ELIGIBILITY GUIDELINES**

1. Nature of the Group: Only charities and religious groups are licensed. A charitable or religious organization must provide a program that benefits the community at large, such as:
  - a) Relief of the aged and disadvantaged.
  - b) Advancing education and learning.
  - c) Making improvements to the quality of health, supporting medical research, or aiding medical treatment programs.
  - d) Providing a facility for the community's use.
  - e) Supporting competitive amateur athletics.
  - f) Providing places for public worship and other religious programs.
2. Membership, Programs and Structure: Membership in the group must be voluntary. The executive must be democratically chosen from its volunteer base. Members, directors and officers must not be paid. Programs must benefit the community, not the member's self-interest.
3. The group must be not-for-profit, and have a broad based volunteer membership. The volunteers must establish, maintain control of and deliver the group's programs.
4. Groups conducting a sports draft with a total ticket value more than \$10,000 must be incorporated. Acceptable forms of incorporation include:
  - a) Societies Act.
  - b) Part 9, Companies Act.
  - c) Part II, Canada Corporations Act.
  - d) Other Alberta Statutes.
  - e) Charter from a recognized international governing body, e.g., service club charter.

### **B. COMPLYING WITH THE LICENCE AND LEGISLATION**

1. Sports drafts shall be operated according to the Criminal Code of Canada, Gaming and Liquor Act, Gaming and Liquor Regulation, AGLC policies, the licence, these Terms & Conditions and the approved sports draft rules established by the licensee. Note: licence requirements may show changes from original application.
2. AGLC Inspectors are responsible for the routine inspection of sports drafts and the investigation of public and player complaints about sports drafts. Evidence of a licensee's failure to comply with the regulatory and policy requirements in the operation of a sports draft may result in the submission of an Incident Report to the Board of the AGLC for disciplinary action.

3. Changes to a licence may only be made through a licence amendment issued by the AGLC. Requests for approval to amend a licence shall be made in writing to the AGLC by an executive officer of the licensee. If the approved amendments affect the awarding of prizes, the licensee shall:
  - a) Advise entry form holders by way of advertising;
  - b) Amend unsold entry forms.
4. All partners in a sports draft must be eligible for a licence and must be licensed.
5. All partners must share equal responsibility for the costs/liabilities of the sports draft, or have an agreement specifying the liabilities and distribution of the revenues.
6. No licensee shall transfer or assign its licence.
7. All municipal, provincial, and federal laws shall be obeyed.
8. The AGLC reserves the right to restrict the total entry form value of any sports draft prior to issuing a licence.

### **C. DRAFT RULES**

1. Sports draft entry forms shall not be sold to a person under the age of 18 years.
2. The licensee shall advise entry form buyers not to write the name of a person under the age of 18 years on the entry form due to the requirements of the Public Trustee Act.
3. The licensee shall post in a public place, e.g., at the licensee's or at a sponsor's place of business, a complete list of rankings, points and names of prize winners, including special prize winners, such as the winner of the "most improved player" prize, for viewing by contestants. The information shall be updated a minimum of monthly for regular season drafts and a minimum of biweekly for playoff drafts. The information shall be sufficiently detailed to enable contestants to verify the accuracy of the standings and the entitlement of prize winners.
4. The licensee shall provide a copy of any list of standings or results published or posted for the draft to any player who makes a specific request in writing for a list. The player must provide a self-addressed envelope with proper postage with their written request.
5. The licensee shall establish rules to govern the conduct of the draft, and awarding of prizes. The rules must conform to these Terms & Conditions and must be submitted for approval at the time of the application for licence. The sports draft rules shall be of an enforceable nature and are binding on the licensee and the contestants. The rules shall specify procedures for identifying contestants who fail to comply with the sports draft rules and specify the consequences that will result for the non-compliant contestants. Violations of the draft rules by the licensee will be investigated by the AGLC. Rules shall be available to all buyers if requested. Rules shall include:
  - a) Limit if any, on the number of entries permitted per individual or household.
  - b) Maximum number of entries to be sold.

- c) Minimum number of entry forms that must be sold before the draft is cancelled.
  - d) Any restrictions on the licensee's members, or their families, buying entry forms. No individual responsible for the draft's conduct and sales shall be eligible to purchase an entry.
  - e) A date entries must be received by the licensee to be eligible. (The postmark date on the entry form envelope cannot be used as a cutoff date for entries, due to the opportunity for manipulation of the postmark.)
  - f) Procedures for identifying non-compliance with established sports draft rules and the consequences for non-compliant contestants (e.g., entry forms incorrectly filled out, entry forms received after the deadline, entry forms payed for with NSF cheques, entrants who exceed the maximum number of entries allowed, etc.,).
  - g) Order in which prizes will be awarded.
  - h) Cash in lieu option.
  - i) How ties are resolved.
  - j) How contestants select players and make trades.
  - k) How points are awarded and an explanation of the method used to determine winners in each of the prize categories, including winners of early bird, bonus, weekly/monthly special (e.g., "most improved player"), consolation and grand prizes.
  - l) The publication dates, mode of publication, type of information provided, frequency of updates, and the location of a public place where contestants can view standings and the names of prize winners, including the names of special prize winners.
  - m) How contestant enquiries will be handled.
  - n) How contestant disputes regarding standings and player selections will be resolved.
  - o) How the licensee will notify winners and how winners may claim their prizes.
  - p) Procedure if a winner cannot be located.
6. A procedure shall be established so that each entry form is reviewed to ensure compliance with draft rules before it is processed.
  7. When prizes are awarded to contestants on the basis of random selection, the procedures for random selection must be clearly outlined in the draft rules and must permit public viewing. If the random selection involves a raffle type draw, then the draw must be conducted in compliance with Section H of these Terms and Conditions.
  8. The licensee can use corporate endorsements, providing promotional material indicates proceeds raised are used for charity and they do not overshadow that the raffle is operated by the charity.
  9. When applying for a licence, the group may propose additional rules, procedures, or requirements for AGLC review and approval. These must be consistent with Terms and Conditions and AGLC policies.
  10. Any restrictions that apply to prizes (e.g., when prize trips must be taken, what products may be purchased with gift certificates or the condition of prizes being offered, e.g., new, used, requiring repair etc.).
  11. Employees of companies contracted to provide goods and services for the management of a sports draft and members of their immediate family are not eligible to receive sports draft prizes.

## D. TICKET REQUIREMENTS AND SALES

1. Drafts can be based on individual players or teams within their sanctioned leagues. All sales shall cease:
  - a) third Friday after the regular season starts; or
  - b) for a playoff draft, before the playoffs start.
2. Only the approved number of entry forms at approved price(s) shall be sold.
3. Discount entry forms (those sold in groups, e.g., 3 for \$100) shall be a different colour than or otherwise distinguishable from regular entry forms.
4. Entry forms shall be:
  - a) a two-part, self-copying form (buyers keep one copy); or
  - b) a form published in a newspaper or other publication (buyers receive a written confirmation).
5. All two-part entry forms or written confirmation copies shall be consecutively numbered, and include:
  - a) licensee's name and a contact phone number.
  - b) licence number.
  - c) purchaser's signature, address and phone number.
  - d) prize list.
  - e) if applicable, room for the buyer to print first and last names of each player and their team.
  - f) rules concerning:
    - choice of players and player trades,
    - point accumulation and ties,
    - details of bonus prize award (if applicable)
    - final date entries can be received to be eligible,
    - cancellation of the draft.
  - g) the notice: "Restrictions apply to prizes" (if applicable).
  - h) the notice: "Must be 18 years of age to purchase."
6. Licensees shall not sell portions or shares of individual sports draft entry forms.
7. If more than one series is sold:
  - a) all entry forms in a series must be sold before sales of another series starts;
  - b) each series shall be a different color, with the series number clearly marked;
  - c) ticket number shall run consecutively from one series into the next;
  - d) all prizes for each series must be awarded once sales for the series has started.
8. Entry forms can be sold for cash, certified cheque, money order, credit card, or debit card. If payment is not made by cash, credit card or debit card, payment shall be made payable to the licensed group. If accepting non-certified cheques, the entry cannot be processed until the cheque clears the bank.

9. Each sold entry form shall be eligible to participate in each “raffle type” draw conducted under the authority of the licence. “Previous Supporter Draws” that exclude entry forms sold to non previous sports draft players are prohibited. (Note: Appreciation for previous entry form buyers support may be shown through early or advance advertising of the sports draft).
10. A copy of each type of entry form printed shall be sent to the Regulatory Division of AGLC, if requested.

## **E. OPERATION AND PAYMENT**

1. The operation of the draft shall not be delegated to another group, or to a person who is not a member of the licensed group.
2. Other approved charities may be paid a commission to sell entry forms. They must use the funds only for approved purposes. No other person or group may be paid to sell entry forms.
3. Licensees may use a total of 5% of gross revenue from sold entry forms to pay a commission or a handling fee to a commercial outlet to sell entry forms. Licensees may also use a total of 5% of approved total ticket value to hire and pay the fees of a registered raffle ticket manager.
4. For sports drafts with a total entry form value more than \$10,000, the raffle ticket manager must be registered pursuant to Section 25(c) Gaming and Liquor Regulation. Signed copies of entry form selling contracts and sports draft management contracts, made subject to AGLC approval, must also be provided at the time of application for review and approval by the AGLC. The contracts shall:
  - a) Specify all services and fees provided.
  - b) The management contract shall include a business plan for the sports draft and a requirement that the management company provide each licensee with a monthly summary of all income and expenses relating to the sports draft.
5. For sports drafts with a total entry form value of \$10,000 and less, the licensee must have a letter of agreement with any commercial outlet used to sell entry forms. The letter of agreement must be retained with the draft records and shall be submitted to the AGLC upon request.
6. The licensee shall submit an operation plan with their application that details:
  - a) Procedures for the secure storage, distribution, and return of sold and unsold entry forms, and for the secure receipt, deposit and return of entry fees.
  - b) Procedures for the review of each sold entry form to ensure compliance with draft rules.
  - c) Procedure for notifying contestants of a public location where and when information on rankings, points and prize winners can be viewed.
  - d) Procedures for draft data entry, including name of individual responsible for the entry of data, data system to be used and checks that will be used to confirm the accuracy of the information.
7. Any suspected cheating or other problem shall be reported immediately to the AGLC at 1-800-742-7818 (24-hour).

## **F. ADVERTISING**

1. The licence number shall be included in all advertising.
2. Entry forms shall not be sold or advertised outside the Province of Alberta. Internet advertising and other advertising that may inadvertently appear outside of Alberta, shall specify that entry forms will be sold within Alberta only.
3. Advertised descriptions and values of prizes must accurately match prizes described in the sports draft Licence Application and all prizes must be awarded as described and approved in the application.
4. Draft advertisements shall not explicitly or implicitly state that a particular type of entry form or entry form buyer, or a particular class of entry form or class of entry form buyer, is eligible for more raffle type draws and/or prizes than any other entry form or entry form buyer. Advertisements may state that entry forms purchased prior to a specific cut off date are eligible for early bird raffle type draws.

## **G. CANCELLATION PROCEDURES**

1. A group wishing to cancel a sports draft shall:
  - a) Submit a written request to the AGLC stating:
    - Reasons for cancellation.
    - Confirmation of number of entry forms sold.
    - Total cash received from entry form sales.
    - Total expenses incurred up to the date of the request for cancellation.
  - b) Once cancellation is approved, advertise that the sports draft has been cancelled, and that the entry form purchase price will be refunded. Approval for cancellation will not normally be granted if the draft has reached the break-even point in sales.
  - c) Refund the total purchase price to all entry form buyers.
  - d) Send a letter to the AGLC, signed by two executive members stating that all refunds have been made, and listing all expenses incurred in the operation of the sports draft.

## **H. DRAW PROCEDURES**

1. When the sports draft includes the awarding of prizes to contestants on the basis of a "raffle type draw," the draw must comply with the procedures established by the AGLC.
2. The licensee shall contact the AGLC for a copy of the procedures for a raffle draw.

## I. PRIZES

1. All approved prize(s) shall be awarded. The licensee is responsible for contacting prize winner(s).
2. Retail value of all prize(s) shall be at least 20 percent of the approved total entry form value. Retail value of each individual prize must be equal to or greater than the individual entry form price.
3. If a bonus prize award is offered, the following conditions apply:
  - a) its retail value cannot exceed the retail value of the other major prizes awarded;
  - b) the specific criteria needed to win the bonus prize shall be included in all advertising and be printed on all entry forms; and
  - c) the mathematical probability of winning the bonus prize shall be included in all advertising and be printed on all entry forms.
4. Standings shall be based upon official statistics provided by the appropriate league office.
5. An outside firm may be used to post and verify standings. It may have no other involvement.
6. Any complaint regarding individual standings shall be investigated by an independent accounting firm, at the licensee's expense. A copy of the report must be submitted to the Regulatory Division.
7. In the case of a regular season draft, the top 150 standings shall be published in a local newspaper at mid-season. Final prize winners' names and point standings shall be published in a local newspaper at the end of the draft along with the names of the winners of special prizes such as those for "most improved player" etc. To allow for any challenge to the standings, prizes cannot be awarded for two weeks after publication.
8. Groups applying for a sports draft with a total entry form value of \$100,000 or greater may be required by the Board of the AGLC to guarantee the sports draft prizes. If such a guarantee is required, the applicant must submit an irrevocable letter of credit in favour of AGLC in an amount equal to the value of the total prize package prior to the sports draft licence being issued.
9. Stated prize values must be equal to or less than the manufacturer's suggested retail price.
10. Cash alternatives must equal stated retail value of prize or be fully disclosed at the time of the application.
11. When the retail value of a merchandise prize exceeds \$5,000 independent confirmation of the prize value acceptable to AGLC must be provided. For example, an invoice from the supplier.
12. Where second hand merchandise, previously used show home furniture, collectibles or antiques are offered as prizes, the group must submit with their application two independent appraisals from qualified appraisers stating the appraised value of the prize merchandise.

13. Prizes must be immediately transferable without encumbrances on the title to the winner. No costs, including taxes, may be charged to the winner(s) for the transfer of property or title into the winner's name.
14. The licensee shall make every reasonable effort to notify prize winners.
15. Unclaimed prizes 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 moneys equivalent to the fair market value of the prize shall be donated to a charitable beneficiary approved by the AGLC. Alternatively, with AGLC approval, unclaimed prizes or moneys of equivalent value may be donated to the licensee's own approved use of proceeds.
16. The licensee shall submit a list of unclaimed prizes to the AGLC with the sports draft Financial Report or Financial Summary.

## **J. PROCEEDS AND EXPENSES**

1. Proceeds shall be spent only on approved uses.
2. No revenue may be spent until funds are available to pay for the prizes. This includes draft expenses and approved uses of proceeds.
3. Only approved expenses required to operate the draft may be deducted from gaming revenue.

## **K. FINANCIAL REPORTS AND RECORDS**

1. The licensee shall keep a serial number record of the draft. This shall account for all entry forms and cash; and to reconcile totals at the draft's end.
2. For sports drafts with a total entry form value more than \$10,000 the following reports are forwarded to the licensee by the Regulatory Division, and shall be returned as follows:
  - a) Raffle Financial Report. For regular season sports drafts submit within sixty (60) days after the date the regular season is scheduled to end. For playoff sports drafts submit within sixty (60) days after the last day of the playoffs.
  - b) Supplementary Financial Report. Every twelve (12) months until all sports draft revenue is spent.
3. For sports drafts with a total entry form value of \$10,000 and less, the Financial Summary on the front of the licence is due for regular season drafts within sixty (60) days after the date the regular season is scheduled to end. For play off drafts the Financial Summary is due within sixty (60)days of the last day of the playoffs.
4. All draft records shall be kept for two years after the prizes are awarded. AGLC Inspectors shall be allowed to see and make copies of all records. This includes any location or financial institution where records may be kept. Inspectors may remove all records for further examination.

**L. ADDITIONAL CONDITIONS FOR SPORTS DRAFTS WITH A TOTAL ENTRY FORM VALUE MORE THAN \$10,000**

1. For drafts with a total ticket value more than \$10,000, a separate sports draft bank account shall be established. The account shall have chequing privileges, and monthly return of cancelled cheques. All sports draft revenue shall be deposited into this account, and all payments made by cheque. Supporting documents shall be submitted with Financial Reports.
2. Proceeds shall be left in the sports draft account until spent on approved uses. If not required right away:
  - a) funds may be put into a separate interest-bearing account, or be used to buy deposit certificates;
  - b) the financial institution, account or deposit certificate number, and total value of the transfer shall be identified on financial reports;
  - c) all interest becomes part of the gaming revenue;
  - d) when needed, proceeds shall be transferred to the sports draft account; and
  - e) all funds shall be paid out only by cheque.