

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

### A. DEFINITIONS

1. In these terms and conditions,
  - a) "AGLC" means the Alberta Gaming and Liquor Commission.
  - b) "Bearer ticket" means a ticket without the buyer's name, address or telephone number.
  - c) "Board" means the Board of the AGLC.
  - d) "Charitable Gaming Policies Handbook" means the AGLC's set of policies, policy standards and procedures that apply to gaming licensing eligibility and the use of gaming proceeds.
  - e) "Discrepancy Report" means a report prepared by the licensed charity, registered worker and/or volunteer regarding a breach of the raffle terms and conditions, security breach or any other illegal activity.
  - f) "Draw" means the approved selection process by which the winner(s) are determined on random basis.
  - g) "Expenses" means the direct costs incurred by a licensed charity to hold a raffle.
  - h) "Fair market value" means the amount an asset would sell for in an open market between a willing seller and a willing buyer who are both knowledgeable and informed and who are acting independently of one another.
  - i) "Gross raffle revenue" means all funds raised from a raffle's ticket sales.
  - j) "Licence" means a licence issued by the AGLC to a charitable or religious organization or the board of a fair or exhibition authorizing the organization or board to conduct one or more raffle events.
  - k) "Licensed charity" means the charitable or religious organization or the board of a fair or exhibition holding a valid licence issued by the AGLC.
  - l) "Minor" means a person under the age of 18 years.
  - m) "Prizes" means cash, merchandise or other award(s) given to ticket purchasers.
  - n) "Proceeds" means the gross raffle revenue less raffle prizes and expenses.
  - o) "Raffle" means a lottery scheme where tickets are sold for a random chance of winning a prize(s).
  - p) "Raffle ticket manager" means an individual authorized by the AGLC to manage a raffle.
  - q) "Total ticket value" means the total number of tickets approved for sale multiplied by the price(s) of the tickets. For example, if there are 25,000 tickets at \$2 and 30,000 tickets at 2 for \$5, the total ticket value would be  $[(25,000 \times \$2) + (30,000/2 \times \$5)] = \$125,000$ .

## B. LEGISLATION AND BOARD POLICIES

1. The licensed charity shall operate the raffle according to the *Criminal Code (Canada)*, the *Gaming and Liquor Act*, the *Gaming and Liquor Regulation* and Board policies established under the legislation, including these terms and conditions.
2. The licensed charity shall adhere to all federal, provincial and municipal laws.
3. Non-compliance with federal, provincial, or municipal laws or Board policies may result in disciplinary action, up to and including suspension or cancellation of licence.
4. Licensed charities shall ensure their raffle event is conducted and managed completely within the province of Alberta.
5. The AGLC, pursuant to Section 14 of the *Western Canada Lottery Agreement*, may “not licence any lottery scheme which, because of its prize structure or game similarity (for example scratch and win tickets), would have a material detrimental effect on the sale of lottery schemes managed, conducted or operated by the Western Canada Lottery Corporation.”
6. 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 two executive officers of the licensed charity. If the approved amendments affect the awarding of prizes, the licensed charity shall:
  - a) advise ticket holders by way of advertising; and
  - b) amend unsold tickets.
7. Amendments to the start date of ticket sales may not be allowed after a licence is issued if there are other raffles within the same geographical region which might be impacted.
8. Amendments to delay draw dates will not normally be approved. Draw date amendments may be approved by the AGLC if the licensed charity can demonstrate extraordinary circumstances. If a draw date is amended and a ticket buyer requests a ticket price refund, the licensed charity shall issue a full refund to the ticket buyer.
9. For raffles with a total ticket value greater than \$10,000 financial and security control plans must be submitted with the application. The plans should specify procedures for the secure storage, distribution, and return of ticket inventory; stubs from sold tickets, unsold tickets, and the secure receipt and deposit of cash proceeds.
10. All partners in a raffle must be eligible for a licence and must be licensed by the AGLC.
11. All partners must share equal responsibility for the costs/liabilities of the raffle, or have an agreement specifying the liabilities and distribution of the revenues.
12. No licensed charity shall transfer or assign its licence.
13. The maximum total ticket value of any raffle shall be \$20 Million.
14. The AGLC reserves the right to restrict the total prize value of any raffle prior to issuing a licence.
15. Raffle tickets shall not be sold to a person under 18 years of age.

## **C. GUIDING PRINCIPLES FOR GAMING**

1. The guiding principles for gaming adopted by the province are as follows:
  - a) The integrity of gaming will be ensured.
  - b) Gaming policies will reflect a commitment to social responsibility.
  - c) The financial return to eligible charities from charitable gaming is to be maximized for the benefit of charitable and religious groups, the programs or activities they deliver and the communities in which those programs or activities are undertaken.
  - d) Gaming policies will be supported by sound research and consultation with the public and stakeholders.
  - e) The collection and use of gaming revenue will be open and accountable.
  - f) Gaming activities will meet standards of quality to protect the integrity of gaming activities, provide gaming entertainment value to consumers and help to keep gaming dollars in the province.
  - g) The guiding principles for gaming will be subject to review, to ensure they reflect Albertans' wishes.

## **D. ELIGIBILITY GUIDELINES**

1. Groups applying for a raffle licence must be structured in a manner acceptable to the Board and prove a record of active delivery of their charitable or religious program or service to the community. The policies established by the Board for eligibility for raffle licences are contained in the *Charitable Gaming Policies Handbook*. Copies of the handbook may be purchased from the AGLC for a fee of \$25.00 per copy or may be accessed on the AGLC's web site at [aglc.ca](http://aglc.ca).
2. Groups applying for a raffle licence with a total ticket value greater than \$100,000 must demonstrate they have delivered a charitable program or service to the community in the twelve month period prior to the application.

## **E. RAFFLE RULES**

1. The group shall establish and maintain rules to govern the conduct of the draw and awarding of prizes. The rules must comply with these Terms & Conditions. Rules shall be available to ticket buyers, if requested.
2. Raffle rules shall include the following:
  - a) raffle tickets shall not be sold to a person under 18 years of age;
  - b) a requirement that the licensed charity's raffle ticket sellers advise adult ticket buyers not to write the name of a person under 18 years of age on the ticket;
  - c) any restrictions on the licensed charity's members, or their families, buying tickets;
  - d) minimum number of tickets that must be sold before requesting a draw date extension or cancelling the raffle. A draw date extension is unlikely to be approved if the break-even point is passed, i.e., enough tickets are sold to cover prize costs and expenses.
  - e) exact location of the draw(s);

- f) method in which the draw(s) will be conducted and, if applicable, a statement acknowledging some tickets may be eligible for more draws than other tickets;
  - g) order in which prizes will be awarded and whether prize winning tickets will be returned to the draw to be eligible for other identical prizes;
  - h) cash alternatives for any of the prizes;
  - i) any restrictions that apply to prizes (e.g., when prize trips must be taken, what products may be purchased with gift certificates, will the prize delivery transportation costs be the responsibility of the prize winner, etc.);
  - j) condition of prizes being offered (e.g., new, used, requiring repair, etc.);
  - k) procedure if a winner cannot be located;
  - l) for sports lotteries, an alternate method of awarding prizes if:
    - i) winning ticket is not sold,
    - ii) score exceeds highest score printed, or
    - iii) game goes into overtime;
  - m) procedures for handling ticket buyers' requests to cancel their raffle ticket for a refund of the purchase price; and
  - n) notice advising ticket purchasers, in the event a winning ticket stub has more than one name on it, the licensed charity shall award the prize to only one of the individuals identified on the ticket, and that the licensed charity and the AGLC are not responsible for any disputes which may arise between the different individuals whose names appear on the ticket stub.
3. Raffle ticket managers, their employees and members of their immediate family (a spouse, parent, son, daughter, brother, sister, or the spouse of any of these individuals) are not eligible to receive raffle prizes.
4. For Bearer Ticket (e.g. 50/50 draws), the following rules must also be provided:
- a) the date(s) and time(s) of the draw(s);
  - b) the purchase price of each ticket and the percentage to be awarded as a prize (Although "percentage draws" are commonly known as 50/50 draws, the prize value may be a minimum of 20% of gross raffle revenue and all licensed charity references to the raffle shall accurately reflect the actual percentage payout e.g., 40/60 draw). Prize payouts must be based on ticket sales, and not cash retained by sellers;
  - c) the method by which the draw(s) will be announced, and the location of the announcement;
  - d) number of tickets printed for each event (different colours);
  - e) method by which the prize will be paid (cash or cheque);
  - f) the time limit for the ticket buyer to claim a prize (a time limit less than 10 minutes requires AGLC approval);
  - g) procedure for identifying an alternate prize winner if a winner cannot be located within the time limit for claiming prizes specified above;
  - h) the means by which a winning ticket buyer will be awarded the prize on the last day of the draw; and
  - i) a contact name and telephone number in the event of a complaint or dispute.

## F. TICKET REQUIREMENTS AND SALES

1. A copy of each ticket type printed shall be sent to the AGLC, if requested.
2. The licensed charity shall print only the number of tickets indicated and approved in the application for licence.
3. The licensed charity shall sell tickets only at the price or prices indicated and approved in the application for licence.
4. The licensed charity may place ticket purchase restrictions on the licensed charity's members, their families or employees of companies contracted to provide goods and services for the management of a raffle. The licensed charity shall advise the AGLC of any such restrictions at the time of application.
5. Tickets may be purchased by more than one person, however if a ticket stub with more than one name on it is drawn, the licensed charity shall award the prize to only one of the individuals identified on the stub. The licensed charity and the AGLC are not responsible for any disputes which may arise between different persons purchasing one ticket.
6. Single tickets must be offered for sale. The licensed charity is permitted to sell multiple tickets at one price (e.g. 3 tickets for \$5), however ticket buyers must also be given the option of purchasing only one ticket.
7. Discount tickets (those sold in groups, e.g., 3 for \$100) shall be a different colour than regular tickets.
8. When a series of draws occurs according to a fixed schedule, e.g., cash calendar:
  - a) the ticket price can be reduced based upon the percentage of prize value remaining, (for a cash calendar, each month the ticket price can be reduced by 1/12th);
  - b) the licensed charity must include the discount procedure in the raffle rules; and
  - c) at time of sale, each ticket would have to show the reduced price and eligible draw date(s).
9. Raffle tickets may be sold for cash, cheque, money order or credit card voucher made payable to the licensed group. If accepting non-certified cheques or credit card payments, the licensed charity shall be responsible for ensuring that the proceeds from the ticket sales are received.
10. No person shall be obligated to purchase raffle tickets as a condition of registration for a licensed charity's programs or services.
11. Tickets shall be numbered consecutively.
12. Tickets shall be in two parts, as follows:
  - a) On stub kept by the licensed charity (Except for 50/50 draws):
    - i) buyer's name, address and telephone number;
    - ii) ticket number; and
    - iii) licence number.

- b) On part given to buyer (Except for 50/50 draws):
  - i) licensed charity's name and address;
  - ii) licence number;
  - iii) ticket number;
  - iv) ticket price;
  - v) total number of tickets printed;
  - vi) exact location(s) and date(s) of draw(s);
  - vii) description and value of prize(s);
  - viii) the notice: "Restrictions apply to prizes" (if applicable);
  - ix) cash alternatives (if applicable); and
  - x) the notice: "Must be at least 18 years of age to purchase."

13. Bearer Ticket Draws:

Bearer tickets are allowed only under the following circumstances:

- a) sales are limited to a specific entertainment activity and sales only occur over a few hours during the activity;
- b) sales occur in the confined area in which the entertainment activity takes place;
- c) the tickets are numbered consecutively;
- d) if there are daily draws occurring on consecutive days, the same colour of ticket shall not be used on any two consecutive days;
- e) appropriate ticket inventory control sheets are used for each draw to ensure all sold tickets are entered into each draw;
- f) a secure location is provided to complete the ticket and cash reconciliation;
- g) the draw is announced to the public and occurs before the end of the entertainment activity when individual ticket buyers are likely to be present and can claim their prize;
- h) a minimum of 10 minutes shall normally be provided for the public to claim the prize after the draw is announced (if the proposed time limit is less than 10 minutes, it must be approved by the AGLC beforehand);
- i) there is a procedure in place, as specified in the licensed charity's raffle rules, for awarding the prize on the last day of the draw; and
- j) if more than one charity or religious group is involved in the event a copy of the Partnership Agreement or Letter of Understanding between the licensed charity and the other charities or religious groups must be submitted to the Regulatory Division.

14. Sports Lotteries:

- a) Where tickets are issued in a series related to the outcome of a sporting event, each series shall be a different colour.

- b) Rules must be printed on the ticket, which shall be in two parts, as follows:
- i) On stub kept by the licensed charity:
    - buyer's name, address and telephone number;
    - score or time; and
    - licence number.
  - ii) On part given to buyer:
    - licensed charity's name, address or contact phone number;
    - licence number;
    - ticket price;
    - total number of tickets printed;
    - sporting event, and date of event;
    - score or time;
    - description and value of prize(s);
    - alternate method of awarding the prize if:
      - the winning ticket is not sold;
      - the winning score exceeds the highest score printed;
      - the game goes into overtime;
    - the notice: "Restrictions apply to prizes" (if applicable); and
    - the notice: "Must be at least 18 years of age to purchase".
- c) All tickets shall be sold on the basis of pure chance; the specific score/time is unknown until after sale.

15. Sports Drafts - Separate Sports Drafts Terms & Conditions are in effect.

## **G. OPERATION AND PAYMENT**

1. The licensed charity shall be responsible for the conduct and management of the raffle. The operation of the raffle shall not be delegated to another group or person.
2. Other approved charities or religious groups may be paid a commission to sell tickets. They must use the funds only for approved purposes in accordance with Sections 4 and 5 of the *Charitable Gaming Policies Handbook*.
3. If more than one charity or religious group is involved in the licensed event a copy of the Partnership Agreement or Letter of Understanding between the licensed charity and the other charities or religious groups must be submitted to the AGLC.
4. Licensed charities may pay a commission or a handling fee to a commercial outlet to sell raffle tickets. The commission or handling fee plus any applicable GST cannot exceed 5% of the gross raffle revenue. Draft copies of ticket selling contracts must be provided with the raffle application for review by the AGLC. Signed copies of the ticket selling contracts must also be provided to the AGLC. The contracts shall specify all services and fees provided.

5. 50/50 draws and other “percentage draws” must have a record or control system that show:
  - a) how tickets are allocated to sellers, sellers’ names and the name of the individual that allocates the tickets;
  - b) how cash is returned by sellers to the main bank and who is responsible for the collection of the total sum of cash and calculating the prize amount;
  - c) the number of sellers expected to work each event; and
  - d) the winner’s name, address and telephone number.
6. Any suspected cheating or other irregularities shall be reported immediately to the AGLC at 1-800-742-7818 (24 hours).
7. All lost and stolen tickets shall be reported to the AGLC immediately. A Discrepancy Report shall be submitted to the AGLC within 3 days of discovering the lost or stolen tickets. The Discrepancy Report shall specify the total number and serial numbers of the lost or stolen tickets and an explanation for how the tickets were lost or stolen.
8. If the tickets were lost or stolen before they were sold, the licensed group shall advertise in the market area where the tickets were lost or stolen that these tickets will not form part of the draw and will not be eligible for prizes. In addition, at location of draw(s) prior to the draw, the licensed charity shall announce the lost or stolen tickets will not form part of the draw.
9. If the tickets were lost or stolen after they were sold, the licensed group shall advertise in the market area that tickets with the affected serial numbers were lost or stolen and will not form part of the draw, and anyone holding such a ticket should contact the licensed charity so that either another ticket can be issued or a refund provided.
10. Where gross raffle revenue or raffle proceeds are missing due to suspected theft or fraud, the licensed charity shall not initiate any civil action against, or enter into any repayment agreements or other agreements with, persons suspected of being responsible for the missing revenue or proceeds.

## **H. RAFFLE TICKET MANAGER**

1. In this section, an “applicant” means a person applying for registration as a raffle ticket manager pursuant to the *Gaming and Liquor Regulation*.
2. Only individuals are eligible to be registered as raffle ticket managers. Businesses or companies may not be registered as raffle ticket managers.
3. To be eligible to be registered to perform the duties of a raffle ticket manager, the applicant must:
  - a) be at least 18 years of age; and
  - b) be a Canadian citizen or a landed immigrant, or a citizen of a foreign country who has received a work visa from federal authorities to work as raffle ticket manager. The appropriate documents from federal authorities must be provided as part of the registration process.

4. The Board may refuse to register an applicant as a raffle ticket manager if the applicant or any of the applicant's associates fails to pass a records check.
5. An individual does not pass a records check if the individual:
  - a) has within the past five years prior to the submission of the application been charged with or convicted of:
    - i) an offence under the *Criminal Code (Canada)*, the *Excise Act (Canada)*, the *Food and Drug Act (Canada)* or the *Controlled Drugs and Substances Act*; or
    - ii) an offence under a foreign Act or Regulation that, in the Board's opinion, is substantially similar to an offence referred to in subclause i).
  - b) has at anytime been charged with or convicted of:
    - i) an offence under the *Criminal Code (Canada)*, the *Excise Act (Canada)*, the *Food and Drug Act (Canada)* or the *Controlled Drugs and Substances Act*; or
    - ii) an offence under a foreign Act or regulation that, in the Board's opinion, is substantially similar to an offence referred to in subclause i);if in the Board's opinion the offence is sufficiently serious that it may detract from the integrity with which gaming activities or provincial lotteries are to be conducted in Alberta or may be detrimental to the orderly or lawful conduct of activities authorized by a liquor licence or a registration relating to liquor, or
  - c) has, within the five years prior to the submission of the application, been serving a term of imprisonment of three or more years.
6. The Board may refuse to register an applicant if the Board is satisfied the applicant has within the five years prior to the submission of the application contravened:
  - a) the *Gaming and Liquor Act* or *Gaming and Liquor Regulation*;
  - b) a predecessor of the *Gaming and Liquor Act* or *Gaming and Liquor Regulation*; or
  - c) a condition imposed on a registration issued or made under the *Gaming and Liquor Act* or a predecessor of the Act.
7. The Board may refuse to register an applicant if the Board is satisfied the applicant, any of the applicant's employees or associates or any other person with connections to the applicant:
  - a) is a person who has not acted or may not act in accordance with the law, with honesty and integrity or in the public interest, having regard to the past conduct of the person;
  - b) would be a detriment to the integrity or lawful conduct of gaming activities or provincial lotteries;
  - c) is a person whose background, reputation and associations may result in adverse publicity for the gaming industry in Alberta; or
  - d) would be a detriment to the lawful manufacture, import, purchase, sales, provision, transport, possession, storage or use or consumption of liquor.
8. Notwithstanding subsections H4 through to H7, the Board may refuse to register an applicant.

9. Applications for registration as a gaming worker (which includes a raffle ticket manager) (Form LIC/GAM 5422) may be obtained from the AGLC by calling the St. Albert office at the following numbers during regular business hours: 780-447-8600 or 1-800- 272-8876.
10. A registered raffle ticket manager must notify the AGLC immediately when charged with or convicted of an offence under:
  - a) the *Criminal Code* (Canada);
  - b) the *Excise Act* (Canada);
  - c) the *Food and Drug Act* (Canada);
  - d) the *Controlled Drugs and Substances Act* (Canada);
  - e) a foreign Act or Regulation that is substantially similar to an offence referred to in clause a), b), c) or d) above;
  - f) the *Gaming and Liquor Act* (Alberta); or
  - g) the *Gaming and Liquor Regulation* (Alberta).
11. If a registered raffle ticket manager is charged or convicted, as described in Subsection H10, the Board may take disciplinary action, including, but not limited to, suspension or cancellation of the raffle ticket manager's registration.
12. Any changes to the personal information of a registrant (for example, address or surname) must be reported immediately in writing, by fax to 780-447-8911 or by telephoning the AGLC's Registration clerk at 780-447-8835.
13. Raffle ticket managers shall ensure their registration is current with the AGLC.
14. Registration may only be renewed by re-applying. When re-applying, applicants are not required to provide a birth certificate. If approved, the original registration number will continue to be used.
15. If a registered raffle ticket manager has misled the Board, failed to provide information or provided inaccurate information, the Board may take disciplinary action including, but not limited to, suspension or cancellation of the raffle ticket manager's registration.
16. The raffle ticket manager shall comply with the *Gaming and Liquor Act*, the *Gaming and Liquor Regulation*, the provisions of the terms and conditions and the conditions of registration. Failure to do so may result in disciplinary action up to and including the suspension or cancellation of registration.
17. Registered raffle ticket managers shall maintain the integrity of gaming.
18. A raffle ticket manager's fees for service plus the applicable GST cannot exceed 5% of the gross raffle revenue.
19. Any individual being paid to manage a raffle must be registered.
20. The raffle management contract shall specify all services provided by and fees paid to the manager as well as include a business plan for the raffle. The raffle ticket manager shall provide the licensed charity with a monthly summary of all income and expenses relating to the raffle, as required by the licensed charity.

21. A draft copy of the raffle management contract must be provided with the raffle application for review by the AGLC. A final copy must also be submitted once the contract is ratified and signed.

## **I. ADVERTISING**

1. It is the licensed charity's responsibility to ensure all forms of advertising are accurate and verifiable.
2. Printed and internet advertising shall include:
  - a) name of licensed charity;
  - b) licence number;
  - c) description of prizes and their fair market value;
  - d) cash alternatives to prizes, if applicable;
  - e) total number of tickets printed and the price of the tickets;
  - f) location and date of the draw(s); and
  - g) a notice specifying tickets may only be purchased or sold within Alberta.
3. Radio and television advertising shall include:
  - a) name of licensed charity;
  - b) licence number;
  - c) date of draw(s); and
  - d) a notice specifying tickets may only be purchased or sold within Alberta.
4. Advertising the odds of winning is permitted, provided the group ensures the method of calculating the odds is accurate and verifiable. All advertising about odds of winning must clearly identify the category of prize referred to, e.g., "any prize. Information on the odds of winning shall be submitted to the AGLC at the time of application.
5. Tickets shall not be advertised or promoted to persons located outside of Alberta.
6. The licensed charity shall ensure ticket orders are not accepted from, or solicited or processed for, persons located outside of Alberta. Ticket requests by telephone shall only be processed if the call originates in Alberta. If a licensed charity maintains a previous customer list from previously licensed raffles and there are customers on the list with addresses outside of Alberta, these customers shall not be mailed or electronically transmitted a ticket application form.
7. Ticket sales must take place within Alberta. Persons visiting from out of province may purchase a ticket if the entire transaction of payment and receipt of ticket occurs while the person is in Alberta.

8. Internet websites may be used to receive orders for the purchase of tickets if:
  - a) the website is used only to accept orders to purchase tickets; and
  - b) the address of the potential ticket purchaser is confirmed to be within Alberta.
9. Advertised descriptions and values of prizes must accurately match prizes described in the Raffle Licence Application and all prizes must be awarded as described and approved in the application.
10. If applicable, raffle advertisements shall explicitly state some raffle tickets may be eligible for more draws than other tickets. Advertisements may state that tickets purchased prior to a specific cut off date are eligible for early bird draws.
11. Advertising a list of prize winners is not required. A list of winners must be kept with the raffle records and the winners' names, ticket numbers and prizes won must be provided at no cost to any ticket holder upon request.

## **J. CANCELLATION PROCEDURES**

1. A group wishing to cancel a raffle shall:
  - a) submit a written request to the AGLC stating:
    - reasons for cancellation;
    - confirmation of the number of tickets that have been sold;
    - total cash received from ticket sales; and
    - total expenses incurred up to the date of the request for cancellation.
  - b) once cancellation is approved, advertise that the raffle has been cancelled and that ticket purchase price will be refunded. Approval for cancellation will not normally be granted if the raffle has reached the break-even point;
  - c) refund the total ticket purchase price to all ticket buyers; and
  - 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 raffle.

## **K. DRAW PROCEDURES**

1. The licensed charity must be able to account for all tickets. Prior to the draw, the licensed charity shall reconcile the number of sold tickets and unsold tickets, as indicated in the raffle ticket sales record, with the number of ticket stubs in the draw container, to ensure that all eligible tickets form part of the draw.
2. All draws must be open to the public. At least two executive members of the licensed group and three members of the public who are not members of the licensed group must be present to witness each draw.
3. Licensed charities with raffles having an approved total ticket value greater than \$100,000 shall videotape their raffle ticket draw(s) and retain the tape with the raffle records for two years after the last draw date.

4. Tickets shall be drawn from a container that is transparent or constructed with mesh so that tickets can be seen from the outside.
5. Tickets must be manually drawn from the container in a random manner. Winning tickets cannot be randomly drawn by a computer or other random number-generating device.
6. "Previous Supporter Draws" that exclude tickets sold to non previous raffle ticket buyers are prohibited. An early bird draw(s) is permitted as long as all ticket buyers, not just those who have purchased tickets from the group in the past, are eligible for the draw. Appreciation for previous ticket buyers' support may be shown through early or advance advertising of the raffle to these previous ticket buyers.
7. A ticket stub containing the ticket number of each sold ticket must be placed in the draw container and be eligible to participate in each draw of non-identical prizes. The licensed charity, as stated in its raffle rules, may exclude a winning ticket stub for a particular prize from being eligible for all other draws of the identical prize. For example, if a raffle licence is offering 100 identical televisions as a prize, the licensed charity may exclude the ticket stub of one television prize winner from winning any further identical televisions. However, the same ticket stub must be placed back into the draw container prior to conducting the draws for other prizes.
8. Alternate proposals, to Section K7, for selecting winning tickets may be approved by the AGLC. A detailed description of the alternate proposal must be submitted at the time of application and be approved prior to implementation. Examples of alternate proposals include separate draws for different prizes (i.e. ticket stubs being placed in separate draw containers for non-identical prizes); and second element of chance draws where every ticket drawn is guaranteed a prize (i.e. conducting a final prize draw consisting of all the ticket stubs drawn from preliminary draws with the number of ticket stubs eligible for the final draw equaling the number of prizes being awarded).
9. Prior to each drawing of a ticket for prizes with different fair market values, the ticket container must be rotated or the contents of the container agitated a minimum of three times. Prior to each drawing of a ticket for identical prizes, the ticket container must be rotated or the contents of the container agitated at least once. Anti-static spray may be used to facilitate the rotation of tickets.
10. The draw can be made by any person who does not own a ticket or a share of a ticket in
11. The arm of the person making the draw must be "bare" of clothing below the elbow and they must exhibit their draw arm and both sides of their open hand to the draw witnesses, immediately prior to making the draw.
12. Only the person making the draw may put their arm/hand in the draw container.
13. When selecting winning tickets, the person making the draw shall look away from the container in the direction of the witnesses.
14. A record of each ticket drawn shall be made indicating the ticket serial number, the name, address, phone number of the prize-winner and the time and date the ticket was drawn.

15. Winning tickets shall be immediately exhibited to witnesses and held open for inspection until the end of the draw or until returned to the draw container to be eligible for additional prizes.
16. The licensed charity shall retain all tickets with the raffle records for two years after the last draw date.
17. If a draw occurs and the licensed charity later determines not all eligible ticket stubs were placed into the draw container, the AGLC is to be notified immediately. A Discrepancy Report must be submitted by an executive member of the licensed group to the AGLC within 3 days of discovering not all eligible tickets were placed into the draw container. The Discrepancy Report shall specify the total number and serial numbers of the affected tickets and an explanation for how the problem occurred. Normally, the licensed charity will have to conduct a second draw with all eligible ticket stubs and award another set of prizes equivalent to the original list of approved prizes.

## **L. PRIZES**

1. All prize(s) as described and approved in the licence application shall be awarded. The licensed charity is responsible for contacting prize winner(s), and will make every reasonable effort to notify the prize winner(s).
2. The total fair market value of all prize(s) including cash alternatives shall be at least 20% of the approved total ticket value. The fair market value of each individual prize must be equal to or greater than the individual ticket price.
3. Stated prize values must be equal to or less than the manufacturer's suggested retail price.
4. Cash alternatives must equal stated value of prize or be fully disclosed at the time of the application.
5. Groups applying for a raffle with a total ticket value of \$10,000 or greater may be required by the Board to guarantee the raffle prizes. If such a guarantee is required, the applicant must either submit an irrevocable letter of credit in favour of the AGLC in an amount equal to the value of the total prize package prior to the raffle licence being issued or submit written documentation confirming a trust account has been established by a qualified Trustee as specified under the *Trustee Act*, and that all gross raffle revenue will be deposited into that account.
6. When the fair market value of a merchandise or travel package prize exceeds \$5,000, independent confirmation of the prize value acceptable to the AGLC must be provided, for example, an invoice from the supplier.
7. When the fair market value of a merchandise prize exceeds \$5000, and it is a new unique prize, e.g., custom built vehicle, the group must submit with its application two independent third party appraisals from qualified appraisers stating the appraised value of the prize.

8. Where restored or used vehicles are offered as prizes, the group must submit with its application a certified vehicle inspection certificate indicating the vehicle is road worthy. The group must also submit two independent third party appraisals from qualified appraisers stating the appraised value of the vehicle.
9. Where the prize is a vehicle, the group must complete a transportation log detailing the date, purpose, mileage and driver of all trips taken by the vehicle from the time the licensed charity obtained the vehicle until the time the vehicle was given to the prize winner. The transportation log must be retained with the raffle records and be submitted to the AGLC if requested.
10. 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, third party appraisals from qualified appraisers stating the appraised value of the prize merchandise.
11. For home raffles, the advertised value of the lot must reflect the average selling price of similar lots in the same subdivision or area at the time the application is submitted.
12. For home raffles, a complete list of appliances, furniture and decorations per room identifying the individual cost of each item must be submitted with the application.
13. All "Calls for Tender" letters inviting vendors to submit quotations to supply prizes must be submitted with the raffle application along with the quotation from the successful vendor.
14. If the prize winner is under 18 years of age, the licensed charity shall deliver the prize:
  - a) to the Office of the Public Trustee if the prize has a fair market value of \$5,000 or more;  
or
  - b) to the minor's legal guardian if the prize has a fair market value less than \$5,000. As per the *Minors' Property Act*, the licensed charity should contact the Public Trustee prior to dispensing the prize in order to obtain the guardian's acknowledgement of responsibility for the prize.

A licensed charity may contact the Office of the Public Trustee [Edmonton: 780-427-2744; or Calgary: 403-297-6541] for more information.
15. 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 except for possible prize delivery transportation costs as specified in the approved raffle rules.
16. Except for bearer ticket draws and for prizes described in Section L17, all raffle winners have one year from the date of the draw to claim their prize. The licensed charity shall secure or place in safekeeping unclaimed prizes 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 cash equivalent to the fair market value of the prize shall be donated to a charitable beneficiary approved by the AGLC.

17. Where houses, vehicles, travel packages, live animals or perishable items such as food and plants are offered as prizes, the licensed charity may set a specified time, subject to AGLC approval, in which the prize winner may claim the actual prize. The specified time period shall be listed in the licensed charity's raffle rules.
18. For bearer ticket draws, if a prize is not claimed on the day of the draw, the licensed charity shall carry-over the prize total to the next scheduled draw as approved on the raffle licence. If the prize is not claimed on the last approved draw date of the licensed period, the licensed charity may, subject to AGLC approval:
  - a) carry-over the prize total to the next raffle conducted by the licensed charity; or
  - b) donate the prize total to a charitable beneficiary approved by the AGLC.
19. The licensed charity shall submit a list of unclaimed prizes to the AGLC with the Raffle Financial Report.

## **M. EXPENSES**

1. Only approved expenses required to operate the raffle may be deducted from gaming revenue. Approved raffle expenses include:
  - a) ticket printing;
  - b) advertising;
  - c) licence fee;
  - d) registered raffle ticket manager's fee;
  - e) commercial outlet handling fee
  - f) appraisal fees for prizes;
  - g) other expenses relating to the conduct and management of the raffle receiving prior approval of the AGLC (e.g. draw drum rental, mall space rental, camera rental, credit card charges, etc.); and
  - h) the GST on the above items.
2. Expenses, excluding the raffle ticket manager's fee, shall not exceed 30% of approved total ticket value, including the GST.
3. The raffle ticket manager's fee shall not exceed 5% of the gross raffle revenue.
4. No ticket revenue may be spent from the raffle account on raffle expenses and approved use of proceeds until sufficient funds are available to pay for the raffle prizes. However, until raffle prizes are secured, approved raffle expenses may be paid from non-gaming funds. Once the prizes are secured, revenue from the raffle account may be used to reimburse the expenses paid from non-gaming funds. The source of the non-gaming funds shall be disclosed at the time of application.

## N. PROCEEDS

1. The policies established by the Board for the use of raffle proceeds are contained in Sections 4 and 5 of the *Charitable Gaming Policies Handbook*. Copies of the handbook may be accessed at no charge on the AGLC's web site at [aglc.ca](http://aglc.ca).
2. Raffle proceeds shall be spent on charitable or religious objectives as approved by the AGLC, detailed on the charity's raffle application and approved on the raffle licence.
3. Any change in the use of raffle proceeds from the use approved and stated on the raffle licence must be approved in advance by the AGLC. Two current members of the licensed group's executive must sign the letter of request for the change in the use of proceeds.
4. Gaming proceeds may not be used to cover gaming losses or expenses from other gaming licences unless approval is granted by the AGLC.
5. All disbursements of raffle proceeds shall normally be made within 24 months of the raffle's last draw date. Any extension of this period must have the prior written approval of the AGLC. All requests for an extension of this time period must include a supporting business plan. The business plan shall include the following:
  - a) a written explanation why the proceeds have to be accumulated beyond 24 months;
  - b) any other sources of revenues associated with the planned project or event;
  - c) a list of expenditures associated with the planned project or event; and
  - d) timelines for the anticipated disbursement of the accumulated proceeds.
6. All payments from the raffle account for approved charitable or religious purposes shall be made by cheque, signed by two current members of the group's executive. The cheques shall normally be payable directly to the vendor or supplier. Cheques to individuals are not permitted unless prior approval has been granted by the AGLC, and/or proper documentation is maintained to ensure the disbursement is for an approved use.
7. Raffle proceeds shall normally remain in the raffle account until spent on the approved uses. If not required immediately, raffle proceeds may:
  - a) be put into a separate interest-bearing account;
  - b) be used to buy deposit certificates; or
  - c) if the licensed charity qualifies as a Trustee under the *Trustee Act*, be invested subject to the conditions established for and applying to investments by a trustee under the *Trustee Act* . To qualify to invest, the AGLC will require a letter from the licensed charity's lawyer confirming the trustee qualification.
  - d) If raffle proceeds are re-directed as stated in Section N7 a) to c), the following conditions apply:
    - i) investments made as stated in Section N7 a) and b) shall be fully insured as defined in the *Canada Deposit Insurance Act*;
    - ii) the financial institution, account or deposit number, or details of other permitted investments and the total value of the funds proceeds transferred or invested shall be identified on financial reports;

- iii) all interest, dividends or other income earned becomes part of raffle proceeds and shall be retained in the separate interest bearing account or shall be retained as part of the investment if the income is in the form of shares or units; and
- iv) when needed for approved uses, proceeds shall be transferred back to the raffle account to be disbursed.
- e) be contributed to an endowment fund, subject to the conditions specified in Section 5.25 of the *Charitable Gaming Policies Handbook*.

## **O. FINANCIAL REPORTS**

1. Licensed charities are required to complete financial reports regarding the revenues, expenses and proceeds generated during their raffle event(s). For this purpose, licensed charities will receive the required financial report forms to complete from the AGLC. The requirements in this regard are as follows:
  - a) Financial Reports are mailed after the end date of the licensed charity's raffle licence.
  - b) Supplementary Financial Reports are required every 12 months until proceeds are spent or a new licence is issued.
2. Licensed charities shall complete the financial report and submit the report within 60 days from the mail-out date, along with the supporting documents as indicated in the report.
3. Licensed charities have the option of hiring a professional accountant to prepare raffle financial reports. Raffle proceeds may be used to pay the expenses related to preparing these reports if the reports are prepared by a member in good standing of:
  - a) the Institute of Chartered Accountants of Alberta;
  - b) the Society of Certified Management Accountants of Alberta; or
  - c) the Certified General Accountants Association of Alberta.
4. Raffle proceeds may not be used to pay for the preparation of financial reports other than raffle financial reports.
5. For more information regarding financial reports, consult the *Charitable Gaming Policies Handbook* or contact the Financial Review Section of the AGLC by telephone at 780-447-8600 during regular business hours.

## **P. RAFFLE RECORDS**

1. A separate raffle bank account shall be established. If the licensed charity conducts more than one raffle licence simultaneously, a separate bank account must be opened for each licence. All raffle revenue shall be deposited into this account. The account shall have chequing privileges and monthly return of cancelled cheques or digital image of both front and back of cheque. All payments shall be made only by cheque. Each cheque shall be signed by 2 members of the licensed charity's executive.
2. The licensed charity shall keep a serial number record for the raffle. The record shall show the distribution of ticket stubs and cash or unsold tickets. It should show enough detail to account for all tickets and cash and to reconcile totals at the raffle's finish.

3. All raffle records shall be kept for two years after the last draw. These records include:
  - a) bank statements;
  - b) cancelled cheques / digital image cheques (front and back);
  - c) invoices/receipts;
  - d) ticket inventory control sheets;
  - e) list of prize winners;
  - f) all unsold tickets;
  - g) all ticket stubs of sold tickets;
  - h) letter of agreement with commercial outlet (if applicable);
  - i) contract with registered raffle ticket manager (if applicable);
  - j) letter of understanding or memorandum of agreement with other charities (if applicable);
  - k) videotape of the raffle ticket draw (if applicable);
  - l) prize vehicle appraisals (if applicable) and
  - m) prize vehicle transportation logs (if applicable).
4. Licensed charities and registered raffle ticket managers and their employees are responsible for ensuring that, at all reasonable times, AGLC Inspectors have access to all records. AGLC Inspectors may copy or temporarily remove records at their discretion.

#### **Q. AUDIT REQUIREMENTS**

1. The books and records of licensed charities are subject to review and/or audit by the AGLC and must be maintained in a manner acceptable to the AGLC.
2. The areas normally subject to audit will include, but not be limited to:
  - a) books of original entry (including computerized records);
  - b) invoices;
  - c) bank statements and cancelled cheques / digital image cheques (front and back);
  - d) inventory control forms;
  - e) contracts, agreements or similar documents;
  - f) Income Tax and Goods and Services Tax returns;
  - g) minutes of annual general meetings, and meetings of general membership, board and executive;
  - h) external accountant's/auditor's working paper files;
  - i) annual (audited) financial statements; and
  - j) business and financial records (as outlined above) of any entity (including but not limited to societies, non-profit organizations, associations, community leagues, corporations, partnerships, limited partnerships, joint ventures, proprietorships, etc.) which is related to the licensed charity and/or an executive or board member of the licensed charity that is in receipt of any of the licensed charity's gaming proceeds either directly, indirectly or through a series of transactions.