

General Information on

Charitable

Gaming Licences

Bingo
Casino
Pull-Ticket
Raffle



Licensing and Charitable Gaming
Regulatory Division

February 2010

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A. INTRODUCTION

The Alberta Gaming and Liquor Commission's Role

The Alberta Gaming and Liquor Commission (AGLC) is responsible for administering gaming activities in Alberta.

This booklet highlights the types of gaming licences that may be issued. **All gaming activities must be licensed: conducting a gaming event without a licence is a Criminal Code offence.** The information in this booklet is for general reference only, and is not intended to replace the *Gaming and Liquor Act*, the *Gaming and Liquor Regulation* or the AGLC policies. Additional information can be found at aqcl.ca.

The AGLC Regulatory Division is responsible for issuing gaming licences and enforcing the Act, Regulation, Board Policies and conditions. Inspectors may visit gaming events to provide advice and information and to ensure that all requirements are being met and/or conduct investigations.

B. DEFINITIONS

In these policies and procedures:

1. **“Active delivery of a program or service”** means the volunteer membership of the applicant or a licensed group establish, maintain control of and deliver the group's programs to the community.
2. **“Adult”** means an individual 22 years of age or older.
3. **“Board”** means the Board of the AGLC.
4. **“Broad based membership”** means:
 - a) membership is open to the general public;
 - b) membership does not depend on an individual's relationship with a particular individual or individuals;
 - c) membership is representative of the larger community; and
 - d) membership is not restricted by gender, ethnic, racial or cultural background.

5. **“Charitable community benefit”** means a benefit delivered to the community or a significant segment of the community in one of the areas recognized as charitable by the AGLC.
6. **“Charitable gaming”** means bingo, casino table games, raffles and pull ticket sales conducted by eligible groups that have been licensed by the AGLC.
7. **“Charitable group”** means a non-profit group determined by the AGLC to meet licensing eligibility requirements. The AGLC is not bound by the definition of “charity” used by other authorities or jurisdictions.
8. **“Charitable or religious purpose”** means a purpose that is recognized as charitable by the AGLC and includes the following:
 - a) relief of poverty;
 - b) advancement of education;
 - c) advancement of religion; and
 - d) other purposes beneficial to the community - see section D(4).
9. **“Community”** for the purpose of conducting gaming events means the Municipality, County, Municipal District, Improvement District or special area in which the licensed charity is located.

“Community” for the purpose of determining an eligible **“community benefit”** means a community of persons within a geographic location or a community of persons who share a common interest, for example in the arts, culture, sports, among others.
10. **“External entity”** means any individual, organization or government body other than the applicant group.
11. **“Licence”** means a licence issued by the AGLC to a charitable or religious group or the board of a fair or exhibition authorizing the group or board to conduct one or more gaming events.
12. **“Licensee”** means the charitable or religious group or the board of a fair or exhibition holding a valid licence issued by the AGLC.
13. **“Procedures”** refer to how compliance with specific policy and standards is determined.
14. **“Proceeds”** means the gross gaming revenue less gaming prizes and expenses.
15. **“Regulatory Division”** means the Regulatory Division of the AGLC.

16. **“Significant segment of the community”** means:
 - a) programs and services are reasonably available to all members of the general public who qualify and wish to participate;
 - b) the beneficiaries are not numerically insignificant relative to the community to which the programs and services are provided; and
 - c) membership or participation does not depend on a personal relationship to any particular individual or individuals.
17. **“Standards”** refer to the specific conditions that must be met under a policy.

C. APPLICATION FOR LICENCE

Gaming Licences

Only eligible charities or religious groups may be licensed. All proceeds from the licensed activity must be used for approved charitable or religious activities.

1. To qualify for a charitable gaming licence, an organization shall submit to the AGLC a complete eligibility for licence application on the prescribed form, which is available on the AGLC website at aglc.ca.
2. The AGLC will review the information provided in the application to determine if the applicant is eligible for a charitable gaming licence. The eligibility of all applicants will be based on the eligibility criteria for organizational structure, program delivery and use of gaming proceeds contained in the policies enclosed in this handbook.
3. If an applicant’s eligibility cannot be determined by a review of the information contained in the submitted application, additional information may be requested and/or AGLC staff may meet with representatives of the applicant and conduct other inquiries to complete a more detailed eligibility review.
4. The AGLC works to review and process all applications for licence within 4-8 weeks of receipt of a complete application, depending on licensing stream and previously determined eligibility. Processing applications and determining eligibility may take longer if the submitted application information is incomplete or a more detailed eligibility review is required to determine eligibility.
5. Applicants that are not eligible for a charitable gaming licence will be advised by the AGLC in writing of the reasons they are not eligible.
6. Applicants that are found eligible for licensing may be subject to a review of their eligibility by the AGLC at any time to confirm the organization’s continued eligibility for licence.
7. All information provided by applicants and licensees to the AGLC must be truthful and accurate.

D. CHARITABLE & RELIGIOUS GROUPS – BASIC ELIGIBILITY

A charitable or religious group is eligible for gaming licensing if the group is structured in a manner acceptable to the Board and can prove a record of active delivery of a charitable or religious program to the community.

All applications for gaming licences shall be reviewed by the Regulatory Division to determine their basic eligibility for licensing. The Regulatory Division shall review each application and attached documents to ensure there is sufficient information to determine the eligibility of the group. If more information is required, the Regulatory Division shall contact the group's representative by telephone or in writing and request the required information.

1. To be eligible for gaming licensing, the applicant group must have:
 - a) a broad based volunteer membership which represents the community at large;
 - b) 75% or more of its executive democratically chosen from its volunteer base (a maximum 25% of the group's executive may be appointed by an external entity);
 - c) no paid members, directors or officers. (Note: Some persons in these positions may be paid for other work done for the group, and the group may still be eligible for licence. However, for each paid position, the group must provide the AGLC with the position title, position job description, full disclosure of salary and benefits and the source of the funds for salary and benefits);
 - d) programs that benefit a significant segment of the community, not member's self-interest;
 - e) Alberta resident volunteers who establish, maintain control of and deliver the group's programs;
 - f) a not-for-profit objective;
 - g) groups applying for a licence for which licence fees are charged must be incorporated. Acceptable forms of incorporation are:
 - i) Societies Act;
 - ii) Part 9, Companies Act;
 - iii) Part II, Canada Corporations Act;
 - iv) Religious Societies Land Act;
 - v) other Alberta Statutes, approved by the Board, such as:
 - Band Council Resolution for a First Nations Charity operating an event on its reserve land. To operate gaming events off the reserve to which a licence fee applies, a First Nations charity must be incorporated;

- a group governed under the School Act (with the exception of school councils which are not eligible for licensing); or
 - a group established under the Regional Health Authorities Act to enhance hospital care for people in the community.
- vi) Charter from a recognized international governing body (e.g., service club charter).
- h) Applicants who are incorporated under any statute must have by-laws that upon dissolution of the applicant group, require any assets remaining after paying debts and liabilities to be:
- i) disbursed to eligible charitable or religious groups or purposes; or
 - ii) transferred in trust to a municipality until such time as the assets can be transferred from the municipality to a charitable or religious group or purpose approved by the Board of the AGLC.
2. The applicant group must be able to prove a record of active delivery of its charitable or religious programs or services to the community. For casino applicants, an active record of program delivery for the previous 24 months is required. In locations where there is no casino waiting list, casino licences will be considered after 12 months of proven program delivery. For bingo applicants and applicants for a raffle with a total ticket value more than \$100,000.00, an active record of program delivery for the previous 12 months is required.
3. The applicant group must provide a written declaration or statement of the charitable community benefit provided by the programs or services the group delivers. The declaration shall identify:
- a) the type of programs or services delivered by the group;
 - b) the date(s) and approximate time(s) of program or service delivery;
 - c) the premises from which the program or service delivery is made;
 - d) the number of persons participating in the programs or receiving services and the fee structure charged (the names, addresses and phone numbers of program participants and/or recipients of services may be required);
 - e) the number of persons who may potentially benefit from the programs or services offered by the group;
 - f) a list of programs or services that are restricted to members and those which are open to the general public;
 - g) the percentage of participants or recipients of the group's programs or services who are group members and percentage who are members of the public;

- h) an explanation as to why the group's programs or services is important to the community; and
 - i) a description of how the group's programs or services are distinct or unique from any other similar programs or services already provided in the community.
4. A charitable community benefit is provided when a service or program is delivered to a significant segment of the community in one of the following areas:
- a) Relief of the aged or disadvantaged:
 - i) relief to the poor;
 - ii) programs for the elderly so they can stay active in society; or
 - iii) social services and educational programs for the emotionally or physically distressed.
 - b) Advancing education and learning by providing:
 - i) student scholarships;
 - ii) aid to schools;
 - iii) aid to libraries;
 - iv) aid to museums;
 - v) aid to the arts; or
 - vi) aid to the preservation of cultural heritage.
 - c) Provide help to the community which:
 - i) make improvements to the quality of health;
 - ii) support medical research;
 - iii) aid medical treatment programs;
 - iv) supply a facility for the community's use;
 - v) support eligible amateur sports; or
 - vi) contribute places for worship and other religious programs.
5. The group's proposed use of gaming proceeds must be in accordance with the Board's use of gaming proceeds policy (refer to section E).

6. Groups engaged in any commercial activity which generates income for the personal gain of the group's membership or others are ineligible for gaming licensing.
7. Groups that charge fees for their programs or services for the purpose of generating a profit rather than on a cost-recovery basis are ineligible for gaming licensing.
8. Groups whose application for licensing is under review by the AGLC or groups already licensed by the AGLC shall immediately advise the AGLC in writing of any changes to:
 - a) The group's organizational structure as defined in section D(1);
 - b) The group's objectives or purpose;
 - c) The type of programs or services delivered by the group, including changes to:
 - i) the intended recipients, participants or beneficiaries of its programs or services;
 - ii) the date and time of program and/or service delivery;
 - iii) the premises from which the program and/or service delivery is made; and
 - iv) for groups who operate a public facility, changes to the access policy or procedures to the facility for group members or for members of the public.
9. Groups delivering programs or services within the boundary of Edmonton must conduct bingo and casinos within that city. Groups delivering programs outside of Edmonton may not access bingo or casinos within that city.
10. Provincial groups are eligible to conduct gaming events in any community in the province subject to compliance with the Board's Related Groups – Eligibility policy. To establish "provincial group status" for gaming licences, groups must establish with the AGLC that:
 - a) the registered charitable objectives of the group have a provincial focus;
 - b) the by-laws of the group provide for the establishment of offices in other Alberta communities;
 - c) the executive and membership lists of the group indicate that membership is drawn from communities throughout Alberta; and
 - d) the group has a record of program or service delivery and plans to continue to deliver its programs or services to communities throughout Alberta.

11. Groups whose structure, programs or services are not identified as being eligible for a gaming licence as specified in the eligibility policies are not eligible for licensing.
12. The terms “charity” and “charitable purpose” as identified in these policies are defined by the AGLC solely for the purposes of issuing gaming licences. The AGLC is not bound by the definition of “charity” or “charitable purpose” used by other authorities or jurisdictions.
13. The interpretation of the eligibility policies rests with the AGLC.

E. GENERAL – USE OF GAMING REVENUE

Gaming revenue shall only be spent on approved prizes, approved expenses and on charitable or religious purposes approved by the AGLC.

1. Gaming proceeds shall only be used for AGLC-approved objects which are essential to the delivery of the group’s charitable or religious programs.
2. Gaming proceeds shall be used to support the group’s overall objectives, programs and services as approved; and not solely to provide benefits to specific or select members of the group.
3. Disbursements of gaming proceeds shall be made within 24 months of receipt of the funds. Any extension of this period must have prior written approval of the AGLC. All requests for an extension of this time period must include a supporting business plan.
4. A use of proceeds not specifically accommodated in the Use of Proceeds policies is considered an ineligible use of proceeds.
5. The Regulatory Division, Licensing Support Section, shall review the group’s proposed use of proceeds and approve those which comply with policy, standards, and terms and conditions of licence.
6. The Regulatory Division, Financial Review Section, shall review the group’s gaming financial report to ensure all disbursements of gaming proceeds have been approved and comply with policy, standards, and terms and conditions of licence.
7. The Financial Review Section shall ensure the disbursement of gaming proceeds are made within 24 months of receipt of the funds.

F. SUBMITTING APPLICATIONS

All gaming licence applications are available on the AGLC website at aglc.ca

G. TYPES OF GAMING LICENCES

Each licence type has its specific terms and conditions and in some cases, operating guidelines which are outlined on the gaming licence application. A brief summary of each is given below.

i) Bingo

1. Only Edmonton groups may conduct bingo in that city. Calgary groups and groups in Municipal Districts 31 and 44 may conduct bingo in Calgary. In other areas, approval may be given for groups to hold bingo in other communities.
2. Licences are issued for single events or a series of events over a two-year period.
3. Bingo associations are required when bingo is conducted more than three days per week in a specific hall. A bingo association information package is available and an association hall must be licensed as a bingo facility.
4. Satellite bingo games may only be held as part of an approved bingo program.
5. Gross revenue shall be disbursed as follows: Prizes to a maximum of 65% and expenses to a maximum of 10%. Expenses do not include hall rental. Groups cannot charge rent for their own hall.
6. Total prize payouts shall be less than \$15,000 per event. A satellite bingo game is a separate game over and above the regular \$15,000 maximum.
7. For games with separate card sales, the prize shall not exceed 60% of sales. There shall be no minimum or guaranteed prize for these games, other than at a special event or for a playoff game where there is no charge. Exception: Bingos held outside of bingo associations can offer a progressive or accumulating jackpot with a minimum or guaranteed prize. Groups must keep prize payouts for these games in line to ensure they receive a financial benefit.
8. Callers, cashiers and satellite bingo controller may be hired staff. Bingo associations may hire additional staff to provide certain coordinating services. All hired staff must be registered with the AGLC in accordance with the *Gaming and Liquor Act* and Regulations.

9. **Volunteer bingo workers shall not be paid for their services.** Only members of the licensed group, as defined in their bylaws, shall work as volunteer bingo workers. In the case of bingo associations, only these volunteers shall work in the positions of bingo chairperson, bonanza and/or special games controller, paymaster, cashier and satellite game controller (when performed by a volunteer), or any other position requiring access to the cashier's cage area. **As an option only**, the licensed group may use outside help (non-members) to fill other positions as required; these individual(s) should be known to the licensee. Groups may continue to use only their own members in all positions. Groups whose members are disabled may accept outside volunteer help for all positions. This is intended to allow licensees more flexibility in raising funds to support their approved charitable objectives. It is not intended to provide opportunities for groups who are not licensed to work a bingo event in return for a donation.
10. Groups who are members of bingo associations are required to pool net bingo proceeds.
11. Licence fees are required.
12. Groups not currently accessing association bingo events may be eligible for Bingo Central Registry; a waiting list maintained by the AGLC.

ii) **Casino**

1. Only Edmonton and Calgary groups may conduct casino events in these two cities.
2. Only approved games will be authorized. A list of games and their rules is available.
3. Normally, a casino licence is for a two-day event.
4. Where a waiting list is maintained, groups are given casino dates by random draw.
5. Pooling net casino proceeds is mandatory. The pool period is the same as the casino draw period, quarterly. The casino event licence fees are disbursed from the pool.
6. Facility and service agreement with casino facility licensee must identify the fixed fees or charges for the facility and services provided to the licensed charity. Fees/charges shall not exceed:
 - 50% of net casino proceeds for Calgary and Edmonton casinos;
 - 65% of net casino proceeds for St. Albert casinos;
 - 75% of net casino proceeds for casinos outside Calgary and Edmonton.

7. A group is eligible for only one casino licence at a time. Groups affiliated with a charity are considered related to the charity, and only one of either the principal group or an affiliate may be licensed for a casino at a time.
8. Volunteers shall fill the following positions: General Manager and Alternate, Banker, Cashier, Count Room Supervisor, Chip Runner and Count Room Staff. All volunteers shall be members of the licensed group as defined in their bylaws, except for the Chip Runner and Count Room Staff positions. Depending on the number of games, between 15 and 25 volunteers are needed.
9. A group's paid staff may work provided they are members of the group as defined in their bylaws. They must volunteer their time outside normal working hours and they cannot be: General Manager or Alternate, Banker and Count Room Supervisor.
10. Only registered gaming workers and advisors may be paid for their services.

iii) Pull-Ticket

1. Licences are only issued for a series of dates. The maximum term of a pull-ticket licence is two years.
2. Pull-ticket sales are normally restricted to a group's own premises (owned or rented) and only in the area specified on the licence. Tickets can be sold only at events operated by the licensed group. The premises is where the group holds its events or delivers its programs to the community.
3. Up to 10% of the net revenue may be used for the administrative costs of pull-ticket sales. (Net revenue = gross proceeds less prize and unit costs.)
4. All pull-tickets sold in Alberta must be approved by the AGLC.
5. Licence fees are required.

iv) Raffle (Total Ticket Value More Than \$10,000)

1. Prizes must be listed on the application. All prizes, authorized under the licence, must be awarded.
2. Retail value of all prizes shall be at least 20% of the total ticket value. Expenses cannot exceed 30%.
3. When the retail value of a merchandise prize exceeds \$5,000, independent confirmation of the prize value must be provided, for example, a quote from the supplier. If the prize is used merchandise, two independent evaluations prepared by recognized or licensed appraisers must accompany the application.

4. Other charities or religious groups may be paid a commission to sell tickets. They shall use the funds only for approved purposes. No other person or group may be paid to sell tickets.
5. Raffle tickets can be sold for cash, certified cheque, money order or credit card voucher and deposited into a separate raffle bank account. These shall be made payable to the licensed group. If accepting non-certified cheques, the ticket stub cannot be included in any draws until the cheque clears the bank.
6. Tickets cannot be sold or advertised outside Alberta.
7. Discount tickets are sold in groups (e.g., 3 for \$1), and shall be a different colour than regular tickets.
8. No raffle revenue may be spent until funds are available to pay for the prizes. This includes both raffle expenses and approved use of proceeds.
9. Only direct expenses required to operate the raffle may be deducted from raffle revenue. Groups may hire a registered raffle ticket manager. A copy of the contract must be provided to the AGLC.
10. Separate guidelines for sports drafts are available.
11. Licence fees are required.

v) Raffle (Total Ticket Value \$10,000 And Less)

1. Raffle licences, total ticket value \$10,000 and less, are only available at local Registry Agents.
2. Groups applying for a raffle licence (total ticket value \$10,000 and less) must be a charity or religious group registered with the AGLC. If a group is not registered with the AGLC, an eligibility form must be submitted for approval.
3. Groups are not required to open a separate bank account, but must complete the Financial Section of the Licence and return it to the AGLC 60 days after the final draw date.
4. Registry Agents are allowed to set reasonable market rates for their services to cover administrative costs.

vi) Raffle (Criminal Code Section 207(1)(d))

A non-profit group which does not qualify as a charity may be eligible for a small raffle. *Section 207(1)(d) of the Criminal Code* allows:

“any person, pursuant to a licence issued by the Lieutenant Governor in Council or a province, or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme at a public place of amusement in that province if

- 1. the amount or value of each prize awarded does not exceed five hundred dollars, and*
- 2. the money or other valuable consideration paid to secure a chance to win a prize does not exceed two dollars.”*

In Alberta, a non-profit group may be licensed for a raffle under this section, as follows:

- the total ticket value is \$5,000 or less;
- the ticket price cannot exceed \$2;
- retail value of a prize does not exceed \$500;
- the value of all prizes must be at least 20% of the total ticket value; and
- ticket sales and draw must occur at a place of public amusement. This is defined as a building, hall, pavilion, place, premises, room, tent or structure where an amusement takes place.

Groups are not required to be incorporated, but must be non-profit and have an elected executive. All raffle proceeds must be spent according to the AGLC's Policies.

H. FINANCIAL ACCOUNTABILITY AND REPORTING

Financial reports are required for each gaming licence (bingo, casino, pull-ticket, raffle) issued. Financial reports are mailed to the licensed group every 12 months or at the expiration of the licence.

Completed reports with supporting documents, shall be returned to the AGLC within sixty (60) days. **Failure to submit these reports or to comply with the terms and conditions of the licence may affect future licences.**

Separate bank accounts for each licence shall be established.

- The account shall have chequing privileges, and monthly return of paid cheques.
- Gaming revenue shall be deposited into this account and all payments are made by cheque.
- Proceeds shall remain in this account until spent on approved uses. If not required immediately, proceeds may be put into a separate interest-bearing account, or be used to buy short-term deposit certificates. All interest becomes part of gaming revenue and must be reported on financial reports.

- If a group has more than one active licence, the group is encouraged to open a “Consolidated Gaming Account” for the expenditure of their gaming proceeds. The group will transfer these proceeds from its individual gaming accounts into this account. The benefits of this account are:
 - cheques for approved use of proceeds are issued from one account; and
 - easier tracking of proceeds available for distribution.
- All licence records shall be kept for two years after the date the licence expires. AGLC Inspectors shall be allowed access to all areas of a gaming premises. They may examine and make copies of all documents, records, equipment and video tapes at their discretion and may remove these as necessary. This includes documents or records kept at any other location or financial institution.

I. CONTACTING THE AGLC

Written communication may be addressed to the respective local office of the AGLC:

REGULATORY DIVISION OFFICES		
<p>Head Office 50 Corriveau Avenue St. Albert, Alberta T8N 3T5 Ph: 780-447-8600 Fax: 780-447-8911 Toll-Free: 1-800-272-8876 Rite Line: 310-0000</p>	<p>Calgary Office 110, 6715 - 8 Street NE Calgary, Alberta T2E 7H7 Ph: 403-292-7300 Fax: 403-292-7302</p>	<p>Red Deer Office 3-7965 - 49 Avenue Red Deer, Alberta T4P 2V5 Ph: 403-314-2656 Fax: 403-314-2660</p>
<p>Lethbridge Office 3103 - 12 Avenue North Lethbridge, Alberta T1H 5P7 Ph: 403-331-6500 Fax: 403-331-6506</p>	<p>Grande Prairie Office 10020 - 124 Avenue Grande Prairie, Alberta T8V 5L7 Ph: 780-832-3000 Fax: 780-832-3006</p>	

The website address of the AGLC is: aglc.ca.

The licensee shall report to the AGLC any irregularities, theft, fraud, cheating at play or violations of policy in the conduct of their licensed gaming event and in the use of gaming proceeds.