



First Time Applicants Guide for Lottery Licencing

(for a more complete understanding of the lottery requirements, please review the 'AGCO' Alcohol and Gaming Commission Ontario website)

What is a Lottery Event?

Lottery events sell tickets for a fee, with a chance to win a prize in a draw.

Is your organization permitted to hold a lottery event?

- Does your organization fall within one of the categories of charitable objects:
 - Relief of poverty
 - Advancement of Religion
 - Advancement of education
 - Charitable purposes beneficial to the community
- Has your organization existed in Ontario for at least a year and provides charitable community services consistent with the primary purpose of the organization. Must be legally, organizationally and financially separate from other organizations.
- Are the charitable benefits open to all segments of the community
- Must have a Lottery Trust Account for the specific use of lottery transactions, designated as such by a recognized financial institution
- Use of proceeds from the lottery are for charitable purposes that benefit the public in Ontario, not a private organization, and are eligible proceeds approved by the AGCO

Is the proposed lottery approved by the AGCO? Common draws include:

- Stub draw
- Elimination draw
- Calendar draw
- Rubber duck race
- 50/50 draw
- Meat spin

Note that the municipality does not licence electronic raffles. Those are issued by the AGCO.

These items **MUST** be provided for the Municipality to review when considering your organization for a lottery event:

- Constituting documents, including by-laws or letters patent
- A detailed outline of your charitable mandate – what you offer, how you deliver this to your clients, costs, etc.
- Preceding and current operating budget, which includes all sources of revenue and expenses, and verified financial statements for the recent fiscal year
- Current list of Board of Directors

- Registration letter from Revenue Canada, if registered
- The completed application form signed by 2 bona fide members must include:
 - The municipal address of the location for the lottery event
 - The description of the charitable or religious purpose to which proceeds will be donated
 - The total dollar value (equivalent market retail) of all prizes to be awarded – this amount must be equivalent to at least 20% of the proposed ticket sales
 - Closing date for ticket sales, draw(s) date
 - How winners will be determined (include the rules for the draw) and how the winners list will be published
 - The price of the tickets, the total number of tickets to be printed and a sample ticket
- Copies of all receipts, invoices, purchase orders, bills of sale, or letters of intent (quote) for prizes of \$100 or more (including cases where multiples of the same item total more) supporting the stated retail value of the prizes, including taxes
- The method for collecting ticket sales, and explanation of how dishonored cheques will be handled
- A detailed description of the sequence of the prize draws and in the case of 50/50 draws, the maximum value of the prize.
- Rules of the draw – note that persons must be present at a 50/50 draw in order to win

Other information to consider:

- If the prize value totals \$10,000 or more, a financial guarantee from a financial institution is required and must be made payable to the municipality
- If the prize value totals over \$50,000 the municipality cannot issue a licence and will direct you to the AGCO
- Advertising, promotion and selling of tickets may only begin once the lottery licence has been issued

If approved for a lottery licence, the municipality will require payment of the licence fee – 3% of total prizes to be awarded (make the cheque payable to the Township of Brock)