

LOTTERY SCHEMES, GENERAL RULES

1. The following shall be posted in a conspicuous place in the premises designated for the conduct and operation of a lottery event:
 - (a) a copy of the current licence authorizing the lottery and any amendments for the licence;
 - (b) related schedules;
 - (c) house rules; and
 - (d) notices and posters, as required by the division.
2.
 - (1) With the exception of charities, registered with the Charities Division of the Canada Revenue Agency, licensees shall open and maintain a separate designated lotteries trust account in a financial institution authorized to take deposits and to administer proceeds of the money derived from lottery schemes.
 - (2) Registered charities shall maintain separate lottery accounting records which shall include deposit books, journals and ledgers.
3. In administering the trust account the licensee shall appoint a minimum of 2 signing officers, who shall be members of the licensee and who shall write cheques on behalf of the licensee.
4. The licensee shall reconcile the trust account on a monthly basis, or as activity permits.
5.
 - (1) Cash proceeds from lotteries shall be deposited into the licensee's trust account immediately upon receipt.
 - (2) The licensee shall not deposit money received from any other sources other than lottery activity into the trust account, transfer funds by any means from the trust account into an operating or general account of the licensee or close the trust account until all money has been used for the approved charitable or religious object or purpose .
6. Any interest accrued on the trust account shall be used for the charitable or religious object or purpose of the licensee.
7. Where a lottery is conducted on the occasion of, or in conjunction with some other lawful activity, such as a dinner, dance, entertainment, fashion show etc. the percentage of the overall event revenues that are derived from lotteries shall be deposited in the trust account as reported, and used only for authorized purposes.
8.
 - (1) All expenses incurred as a result of conducting the lottery shall be deducted and paid out from gross receipts derived from the lottery.
 - (2) Unless there is negative revenue, the licensee shall use no money from any other source to pay for lottery expenses.
9.
 - (1) The licensee shall maintain the division's financial records that relate to the licensed lottery, or a similar version that is approved by the division.
 - (2) In addition the licensee shall maintain books and other documents in support of all financial records and reports.
 - (3) The licensee shall obtain receipts for each expense incurred.
 - (4) These records shall be kept up to date and be retained for no less than 6 years from the expiry date of the licence.
10. A peace officer as defined by the *Criminal Code*, or an official of the division, shall be given unencumbered access to all areas of a premises on which a lottery scheme is taking place and, the officer or official shall be given unencumbered access at any reasonable time to all records pertaining to a lottery scheme, including the records of any commercial agent, and if considered necessary to remove the records from a premises.
11.
 - (1) When requested the licensee shall deliver to the division, or permit the removal of, the licensee's books, records and other documents that would be requested.
 - (2) Where the licensee refuses access or does not produce as requested, records or documents, the division may suspend or revoke licences.
12. The division may require the licensee to provide audited statements in accordance with guidelines established by the division.
13. A lottery event shall be conducted in a suitable premises as approved by the division.
14.
 - (1) All equipment used in the conduct of a lottery shall be located in an area visible to the players.
 - (2) Equipment shall be maintained in good working condition and shall be made available for inspection, upon request.
15. The licensee shall comply with all federal, provincial and municipal laws.
16. In any licensed lottery scheme, the chances of winning shall be equal for all players or participants.
17.
 - (1) A licensee shall not enter into a contract or agreement, written or verbal, implied or stated, for the supply or purchase of goods or services, unless the method of payment is fixed and pre-determined.
 - (2) Payment terms based upon a percentage or commission shall not be allowed.
 - (3) Excluded are commissions paid on ticket entry sales.
18. The licensee shall not offer as a prize, tickets for a proposed future lottery.
19.
 - (1) The *Liquor Control Act* precludes the

- granting of alcohol as prizes to any person under the age of 19 years.
- (2) It is an offence under the *Tobacco Control Act* to give tobacco as a prize to a person under the age of 19 years.
 - (3) A prize of a firearm shall not be given to a person who is not authorized under the *Firearms Act* (Canada) to possess a firearm.
20. (1) The licence number shall be shown on all advertising.
 - (2) Advertising outside of the province is not permitted unless a licence is held in that province in accordance with subsection 207(1)(f) of the *Criminal Code*.
 21. The division may require verification by affidavit, or the posting of a bond or satisfactory guarantee of the payment of a prize.
 22. Any changes or amendments to the licence shall be requested in writing and may be authorized by the division.
 23. (1) Where a licensed lottery scheme does not proceed as scheduled, the division shall be notified immediately.
 - (2) The licensee shall then comply with any additional instructions as to handling or disposition of proceeds collected, or any other matter concerning the lottery or the licence.
 24. A licence period shall not exceed 12 months unless expressly authorized by the division.
 25. The conduct and management of a lotteries scheme shall not be delegated to another organization or to a person who is not a member of the licensed organization, without the approval of the division.
 26. A licence is not transferable.
 27. (1) When required a financial report shall be submitted to the division within 60 days after the expiry date of the licence or as demanded.
 - (2) The report shall be accompanied with applicable fees for lottery licensing schemes in accordance with the following schedule:
 - (a) **BINGO** - Where a financial report is required, a licence fee shall accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes;
 - (b) **BREAKOPEN** - A licence fee shall accompany the financial report in the amount of \$10 a box/unit or part box/unit of breakopens sold;
 - (c) **BINGO/BREAKOPEN** - For the bingo lottery, a licence fee shall accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes; the licence fee for breakopens is \$10 a box/unit or part box/unit of breakopens sold;
 - (d) **TICKET** - Where a financial report is required, a licence fee shall

accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes;

- (e) **GAMES OF CHANCE** - Where a financial report is required, a licence fee shall accompany the report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes except in the case of a wheel of fortune a fee of \$5 for each wheel per event and in the case of a game of chance a fee of \$5 for each game per event;
- (f) **MONTE CARLO** - A licence fee shall accompany the financial report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes except in the case of a wheel of fortune a fee of \$5 for each wheel per event and in the case of a table game a fee of \$5 for each game per event and in the case of a monte carlo game a fee of \$5 for each game per event; and
- (g) **SPORTS** - A licence fee shall accompany the financial report in the amount of 1% of the total amount of the retail value of prizes and cash given as prizes.

SCHEDULES

28. A licensed bingo lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule A.
29. A licensed breakopen lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule B.
30. A licensed bingo/breakopen lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule C.
31. A licensed ticket lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule D.
32. A licensed games of chance lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule E.
33. A licensed monte carlo lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule F.
34. A licensed sports ticket lottery scheme shall be conducted and managed in accordance with the rules as contained in Schedule G.

SCHEDULE "B"**RULES FOR BREAKOPEN LOTTERIES**

1. For the purpose of a breakopen licence, suitable premises does not include a commercial outlet, including a shopping mall, convenience store, drug store, service station, restaurant, lotto booth, lounge or a similar premises unless a breakopen lottery is in conjunction with another lottery event operated under a licence.
2. The licensee shall only sell breakopen tickets which have been approved for sale by the division.
3. A licence shall be issued only for the sale of breakopen tickets which conform with the ticket quantities, prices and prize pay-outs as provided in the table below. Scratch-off or other forms of break-open tickets are not permitted. The value of any prize shall not exceed \$100.

Common Name	No. of Tickets Per Box	Price Per Ticket	Gross Revenue Per Box	No. of Winning Tickets per Box	Prize Per Box
Junior Nevada	1668 or 1664	\$0.25	\$417 or \$416	224	\$284
Regular Nevada	1668 or 1664	\$0.50	\$834 or \$832	224	\$600
Super Nevada	2184	\$0.50	\$1,092	224	\$800

4. The licensee shall have printed on each ticket: the serial number of the ticket;
 - (a) the type of ticket;
 - (b) the selling price of the ticket; and
 - (c) the number and value of prizes to be awarded.
5. The licensee shall obtain invoices for all breakopen tickets purchased, and the invoices shall contain the following information:
 - (a) the name of the organization that purchased the tickets;
 - (b) the licence number for the tickets;
 - (c) the type of unit, colour, unit serial number, and the number of units purchased;
 - (d) the price per unit; and
 - (e) the total value of the purchase.

6. The licensee shall pay all winning tickets. A notice shall be displayed indicating that winning tickets shall be paid, only if the licensee can identify that it sold the ticket.
7. Each box of breakopen tickets, whether complete or partially sold, when not under the direct control of the seller, shall be kept by the licensee in a secure place.
8. The licensee shall ensure that breakopen ticket patrons have, at all times, a full and equal chance to purchase all winning tickets in every game unit offered for sale. Portions of the game unit shall not be held back from sale. Part boxes shall be held by the licensee for sale at future events. Unsold or partial units of breakopen tickets shall not be destroyed without prior approval of the division.
9. The licensee shall ensure that the breakopen ticket seller defaces all winning tickets at the time of prize payout and all winning tickets from each unit shall be retained until that unit is sold and accounted for.
10. The licensee shall not promote, in any manner, the number of winning tickets left in a game unit.
11. Employees and volunteers who sell breakopen tickets shall not purchase breakopen tickets from the premises where they volunteer or are employed.
12. Breakopen tickets shall not be sold outside the confines of the particular area specified in the licence. Tickets sold at a licensed outdoor location shall be sold from an enclosed booth or similar structure.
13. Breakopen tickets shall not be sold, borrowed or exchanged between licensees unless the proper inventory controls are in place, this includes invoices.



BREAKOPEN

Pursuant to Schedule B, Section 3 and Schedule C, Section 31, the licensee shall be permitted to sell breakopen tickets which also conform with the ticket quantities, prices and prize payouts as provided in the following table. All other conditions identified in Schedules B and C shall apply.

Common Name	No. of Tickets Per Box	Price Per Ticket	Gross Revenue Per Box	No. of Winning Tickets Per Box	Prize Per Box
Super Nevada	2190	\$0.50	\$1,095	224	\$800

Breakopen

Lottery Financial Report (F/R)

Office use only	Organization RSN _____
	Trust Account RSN _____
	Folder RSN _____
	Entered _____

Licencee	Licencee Information
Organization Name: _____ Mailing Address: _____ _____ City/Town: _____ Province: _____ Postal Code: _____ Phone: _____ Fax: _____ Email: _____	Licence Number: _____ Report Period: From: _____ To: _____

Use of Proceeds
Provide detailed as to how proceeds were used: (Attach a separate sheet if necessary.)

To be signed by a Principal Officer of the Organization & the Person Completing this financial report.	
We certify that this Financial Report and all accompanying documents are true and correct statements regarding the above lottery activity.	
Principal Officer Name: _____ Position: _____ Phone (W): _____ Phone (H): _____ Signature: _____ Date: _____ Email: _____	Person Completing Financial Report Name: _____ Position: _____ Phone (W): _____ Phone (H): _____ Signature: _____ Date: _____ Email: _____

Financial Report can be dropped off at any Government Service Centre; mailed to Motor Registration Building, 149 Smallwood Drive, Mount Pearl, NL, P.O. Box 8700, St. John's, NL A1B 4J6. Faxed to (709)729-6998 or emailed to appsconsumeraffairs@gov.nl.ca For inquiries contact Consumer and Financial Services Division toll free at 1-877-968-2600 or locally (Mount Pearl) at 709-729-2660. <p style="text-align: center;">Regional Office Contact Numbers: Corner Brook (709) 637-2445</p>

REMINDER
Licence fee is \$10 per box of Breakopen tickets sold. Part boxes are to be reported sold if you are not renewing your licence. The Financial Report is to be signed by a principal officer of your organization. i.e. president, vice president, treasurer Make cheques payable to "Newfoundland Exchequer". Keep a copy of this report for your records. The Financial Report is due 60 days after the expiry date of your licence. If stated on the back of your licence. Failure to file a Financial Report may affect your organization's ability to obtain future licences. All records for the lottery must be retained for a period of 6 years after the expiry date of your licence.

Breakopen Lottery Financial Report

Total Number of Breakopen Boxes Sold _____	
Gross Proceeds (Total Sales)	
Breakopen Sales	\$ _____
Total Gross Proceeds	\$ _____ (A)
Prize Payouts	
Breakopen Prizes	\$ _____
Total Prize Payout	\$ _____ (B)
Expenses	
Licencing Fees (# of boxes x \$10.00 per box)	\$ _____
Gaming Supplies	_____
Advertising	_____
Rent	_____
Salaries/Commissions	_____
Utilities	_____
Professional Fees	_____
Equipment Lease/Rent	_____
Administration	_____
Other _____	_____
Total Expenses	\$ _____ (C)
Net Proceeds For Charity	\$ _____ (D)
(Total Gross Proceeds less Total Prize Payout and Total Expenses: A - B - C = D)	