

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 "F"

RULES FOR MONTE CARLO LOTTERIES

1. A licensee shall be limited to a maximum of 6 monte carlo events in any 12 month period, unless expressly authorized by the division.
2. The operation of a monte carlo event shall not exceed a period of 12 hours in a 24 hour period.
3. The combined total of tables, wheels and games shall not exceed 25 at any one event, unless expressly authorized by the division.
4. A licence shall not be granted to an organization having a paid professional monte carlo promoter.
5. The name of the licensee shall be prominently displayed in the premises where the monte carlo games are played.
6. Games shall be played with chips, tokens or play money, only.
7. Chips, tokens or play money can be purchased at gaming tables and paid for in cash.
8. Cashing of cheques or granting of credit is forbidden during play.
9. The licensee shall prominently display, at each table, betting limits and pay-off odds for each game conducted.
10. A player shall not wager a bet in excess of \$10 on any one spin of a wheel or any individual game of blackjack unless there is a split when a maximum of another \$10 may be wagered.
11. The operator shall announce the cutoff of bets before spinning the wheel.
12. The wheel shall complete a minimum of 3 full revolutions to count as a spin.
13. Ticket raffles sales shall be confined strictly to the premises of the licensee. Tickets shall be sold and the draw conducted on the same day. The combined potential prize payout cannot exceed \$500 a raffle. Each ticket shall consist of 2 sections, each severable from the other, with both sections containing the same ticket number that is distinct from other tickets in the draw.
14. The total value of tickets sold for a ticket raffle shall not exceed 12 times the total retail value of the prizes.
15. (1) During the operation of any monte carlo event there shall be a minimum of 2 representatives of the licensee present who, during that operation, shall not wager a bet.
 - (2) A licensee shall ensure that monte carlo wheels of fortune, tables and games are conducted by representatives of the licensee, and includes dealers for blackjack and poker tables.
 - (3) A representative shall not wager a bet while conducting a wheel of fortune, table or game.
16. The licensee shall set up a bank to be managed and controlled by 2 designated actual members of the licensee referred to as the cashier and the recorder. For the purpose of selling money to players at the monte carlo, the licensee may designate an appropriate number of persons to act as runners for the cashier. The cashier shall provide each runner with a beginning cash float and supplies of play money, as necessary. The recorder shall maintain a record of all transactions carried out by the runners, and that information shall be included within the lottery records.
17. Admission tickets shall contain the following:
 - (a) the name of licensee;
 - (b) the event location, dates and times;
 - (c) to what the ticket price entitles the purchaser;
 - (d) the selling price of the ticket; and
 - (e) the licence number.
18. (1) Admission tickets that include a door prize shall consist of 2 sections, each severable from the other, and, in addition to 17, the section to be delivered to the purchaser shall contain the following:
 - (a) the description, number and retail value of the prizes, whether donated or purchased;
 - (b) the ticket number;
 - (c) the total number of tickets printed; and
 - (d) if the presence of the purchaser is a required condition to win.(2) The section to be retained by the licensee shall contain the following:
 - (a) the ticket number; and
 - (b) where the purchaser's presence is not a condition of winning, a place for the name, address and telephone number of the purchaser.
19. A draft or hand drawn facsimile of the proposed ticket shall accompany the application and a true copy of the ticket shall be forwarded immediately upon printing to the division.

PERMITTED POKER GAMES

Recently there has been a lot of interest in poker tournaments, particularly Texas Hold-em.

Under our regulations a poker tournament is permitted under a **Games of Chance Licence** as long as the total prize payout for the event does not exceed \$500.

Under a **Monte Carlo Licence** an organization can have poker tables as long as they are in conjunction with other Monte Carlo games. A licence will not be issued for a Monte Carlo event where the only activity will be poker. Organizations are also not permitted to apply for a Monte Carlo licence in which they state they will have other games with poker tables, and then during the event only operate the poker tables. For a licence to be approved, the ratio of table games and wheels to poker tables must be at least 3 to 1. For example if you have 2 blackjack tables and 1 wheel you can have 1 poker table or if you have 2 blackjack tables, 1 wheel and 3 roulette tables you can have 2 poker tables.

A licence will not be issued for a Games of Chance or Monte Carlo event where the location of the event will be a commercial bar or tavern. Some commercial bars and taverns have attached to their clubs or taverns a separate room that is used for special events. This type of room may be considered a suitable location for a tournament if the following conditions are met:

1. The room has its own outside entrance;
2. The room is not accessible from the bar or tavern during the event;
3. No alcoholic beverages are served during the event unless the charitable organization conducting the event have their own special events liquor licence.

It is our opinion that it is illegal for bars or similar establishments to conduct Texas Hold-em tournaments and it is suggested that such establishments seek legal advice regarding Sections 201 and 206 of the *Criminal Code*.

For more information on poker games please contact our office at (709)729-2660.

Monte Carlo

Lottery Financial Report (F/R)



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

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

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 inquires contact Consumer Affairs toll free at 1-877-968-2600 or locally (Mount Pearl) at 709-729-2660.

Regional Office Contact Numbers:

Corner Brook (709) 637-2445

Reminder

Licence fee is \$5 for each wheel, table and game, per event, and 1% of the prize payout for a door prize and ticket raffle.

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.

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.

Monte Carlo Lottery Financial Report

Event Information

Total Number of Events	_____
Total Number of Wheels per Event	_____
Total Number of Crown and Anchor Wheels per Event	_____
Total Number of Over and Under Wheels per Event	_____
Total Number of Other Wheels	_____
Total Number of Roulette Tables per Event	_____
Total Number of Blackjack Tables per Event	_____
Total Number of Other Tables per Event	_____
Total Number of Horserace Games per Event	_____
Total Number of Other Games per Event	_____

Gross Proceeds (Total Sales)

Admission Ticket Sales	\$ _____
Ticket Wheels	_____
Crown and Anchor Wheels	_____
Over and Under Wheels	_____
Other Wheels	_____
Roulette Tables	_____
Blackjack Tables	_____
Other Tables	_____
Horserace Games	_____
Other Games	_____
Ticket Raffles	_____
Value of Donated Prize	_____

Total Gross Proceeds

\$ _____ (A)

Prize Payouts

Door Prize	\$ _____
Ticket Wheels	_____
Other Wheels	_____
Horserace Games	_____
Other Games	_____
Ticket Raffles	_____

Total Prize Payout

\$ _____ (B)

Expenses

Licencing Fees (See reminder section on front page)	\$ _____
Gaming Supplies/Printing	_____
Advertising	_____
Salaries/Commissions	_____
Equipment and/or 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)