



GAIN

Gaming Information
for Charitable Groups

Leagues Alive

GAIN Session

February 6, 2016



Presentation Objectives

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Improve understanding of essential information
related to:

- Legislative Requirements & Charitable Gaming Model in Alberta
 - Credits and Vouchers
- Use of Gaming Proceeds
 - Commercial Activity Limitations
 - Categories
- Financial Reporting Requirements



All Gambling Is Illegal...

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EXCEPT it is **LAWFUL**...

*“...for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province... **if the proceeds from the lottery scheme are used for a charitable or religious object or purpose.**”*



What is Charitable?

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Charitable or Religious Purpose:

- Relief of poverty
- Advancement of education
- Advancement of religion
- Other purposes beneficial to the community



Charitable Community Benefit

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- Relief to the poor, programs for the elderly, social services for the distressed, and educational programs
- Scholarships, aid to schools, libraries, museums, the arts, and cultural heritage
- Health, medical research or treatment, community facility, amateur sports, and religious programs



Public and private institutions are not eligible for licensing except through approved arm's length organizations

When Do You Need a Gaming Licence?

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Consideration (payment)

Chance

Prize



Paying for the opportunity to win a prize.

Charitable Gaming Model in Alberta

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Only licensed charitable or religious groups may conduct gaming activities in Alberta.

Charitable Gaming Licences:

- Bingo
- Casino
- Pull Ticket
- Raffle



Eligibility for Gaming Licensing

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Three Key Components:

1. Structure

- Broad based volunteer membership
- Democratically chosen executive
- Incorporated (e.g. Societies Act)
- Dissolution clause

2. Program Delivery

- Proven Record
- Statement of charitable benefit

3. Proposed Use of Proceeds

- In accordance with policy



Volunteer Requirements

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Paid staff of charitable groups can volunteer at a gaming event if they:

- Are members (as defined in your bylaws)
- Volunteer outside of normal working hours
- Do **not** fill the key positions at gaming events

Bingo Key Positions:

bingo chairperson, paymaster, Bonanza, special games, or Satellite game controller, or cashier

Casino Key Positions:

general/alternate manager,
count room supervisor, banker



Credit Systems

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Volunteers may receive credits to help offset the costs charged for participating in an approved charitable program.

The credits:

- must **not** be redeemable for cash.
- must **not** be used for social/recreational purposes.
- transfers must be made from one gaming account to another gaming account.
- must **not** exceed 10% of the gaming proceeds generated per gaming licence.



Credit Systems

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Groups issuing credits must maintain records of the credits. The records are subject to review by the AGLC, and must include the following information:

Names
Member or Non member
Dates earned
Credit value
Dates issued and redeemed or transferred
Purpose of redemption (if applicable)
Name of payee on the cheque



Groups must keep records tracking the credits issued; and provide these records to the AGLC upon request.

Credit Systems

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Groups transferring credits to other licensees must issue a credit receipt in means of exchange.

The receipt must include the following:

- **Name of licensed group.**
- Serial number.
- **Date of issuance.**
- Credit and cash value of receipt.
- **Name and telephone number of person receipt was issued.**
- Member or non-member of group issuing receipt
- **Expiry date (not to exceed one year from date of issuance).**
- Authorizing signature.
- **Name of group receiving or redeeming the credits.**



Credit Systems

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Groups receiving credits must document the following information:

Redemption Date

Redemption Purpose

Authorizing signature.

Name and gaming account number where payment deposited.

Guidelines Volunteer Credits - Form 5508



Credit System Summary

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Transfers must be made from one gaming account to another gaming account.

A volunteer credit system is not an eligible charitable program.

Groups cannot make it compulsory to volunteer at gaming events. Also, all volunteers must be given opportunity to earn credits by volunteering at gaming events.



Use of Gaming Proceeds

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Gaming Proceeds-are the total income from sales at gaming events less prizes and event level expenses.

Gaming revenue may only be spent on approved:

- Prizes (community bingo)
- Gaming event expenses (e.g. casino advisor fees, raffle advertising costs, volunteer expenses)
- Charitable or religious purposes



Cost Recovery

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Standard 5:12 Item 2:

*“Gaming proceeds can be used to buy approved equipment, supplies or services for use in **charitable works** where an admission fee is charged, as long as the fee is reasonable and set on a cost recovery basis.” (non profit)*



Disbursement of Gaming Proceeds/Retention

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Gaming proceeds must be used within 24 months of receipt in your gaming account.

Extension Procedure:

- Submit a business plan for approval
- Include a written request with signatures
- Form **5506 – Section 2**

Information required:

- Date of extension
- Reason for extension
- Amount of money required
- Timeline of anticipated disbursement (mm/yy)



Administrative Costs

Expires 2100/12/31

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Maximum of 10% of proceeds earned per licence.

(Form 5506 – Section 1)

May be Eligible :

- Telephone, stationery, postage, office supplies
- Internet service provider
- Bulletins/Newsletters
- Renting space for regular meetings
- Liability insurance for board of directors

Not Eligible:

- Salaries for administrative duties
- Transferring money into general account
- Food and beverages
- Legal fees etc.



Wages/Salaries/Fee for Service

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May be eligible if the duties performed:

- Are essential to program delivery and performed by a qualified person
- Cannot be performed by a volunteer
- Are not for administrative positions

NOTE: Currently approved wages/salaries no longer require further approvals for changes to the following:

- Individual being paid
- Rate of pay
- Term of position

Requires submission of:

- Form **5442**
- Job description (includes percentage breakdown of duties)
- List of qualifications



General & Executive members cannot be paid for positions necessary for the delivery of the group's program from any account

Sports Information

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- Gaming Proceeds may be used to support eligible sports groups.
- Adult sports groups with a youth component must use at least 50% of its gaming proceeds on its youth programs.
- Travel is for competition days only (see guideline sheet **5443-1**)



Adult groups: ages 22 – 59
 Youth groups: up to age 21
 Seniors' groups: age 60 and up
 Persons with Disabilities groups: any age

Youth Development Programs

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- Types of programs such as youth sports, leadership, citizenship and community development skills may be eligible.
- A minimum of 75% of membership or participants are 21 years of age or younger.
- Programs are reasonably available to all youth in the community who qualify and wish to participate.
- Form **5506 – Section 2** and specific details are required.



Facility/Equip (Facility Related Only) 100%

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May be Eligible:

- Facility costs of providing a public facility:
 - fixtures, furnishings, mortgage, lease or rent, utilities (excluding telephone- this is an Admin 10% cost), fire and liability insurance, property taxes, janitorial costs and supplies, repairs and maintenance, renovations, and improvements.
 - Form **5506 – Section 2**

Not Eligible:

- Income producing purposes (purchase, maintenance or repair of equipment, furniture or facility).



Equipment-Program Related

Expires 2100/12/31

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May be Eligible:

- Purchase/rent equipment essential to the delivery of programs or services
- Ownership remains with the licensed group
- Form **5506 – Section 1**

Not Eligible:

- Personal, social or promotional items
- Equipment or supplies for a commercial operation
- Equipment for personal/administrative use



Key Message

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1. Get Approval Before You Spend

- Put the detailed request in writing
- Make sure the request is signed by two current executive members
- Be aware of the results of not obtaining approval



Key Message

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2. Submit All Required Documentation

- Documentation varies depending on the request
- Documentation may include forms and attachments



Key Message

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3. Keep the AGLC Informed

Please notify the AGLC in writing of any changes to:

- Executive;
- Objectives;
- By-laws;
- Use of proceeds
- Facility agreements



All forms available at aglc.ca



- *List of Elected Executive (5471)*
- *Internet Account Request (5536)*

Use of Proceeds Summary

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- Obtain approval before spending gaming proceeds
- Must have proceeds in a gaming account to pay for approved expenses
- Spending flexibility may be increased through non-gaming revenue
- Be accountable for gaming proceeds
- Keep good records (cancelled cheques, bank statements, invoices, receipts, raffle and pull ticket records etc.)



Financial Reporting

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Bank Accounts:

Open a separate gaming bank account for each gaming type, except as noted

Raffle (TTV 10,000 and less): no separate account required (deposit in group's general account)

Raffle (TTV more than \$10,000): account can be reused if only one raffle is running at a time

Casino: account should be reused for each event

Bingo: one account for each association or community bingo licence

Pull ticket: one account for each licence



Financial Reporting

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Bank Accounts:

1. Ensure each bank account provides bank statements and copies of cancelled cheques
2. Pay for all expenditures by cheque
3. Avoid pre-signing cheques
4. Do independent monthly bank reconciliations
5. Ensure your bank accounts are still active



Do not mix gaming funds with non-gaming funds!

FINANCIAL REPORTING – continued

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Financial Reports:

Keep event level financial documents for a minimum of two years after the licence expires



Gaming Licence Financial Reports

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The AGLC will send out financial reporting packages to charities after their assigned annual reporting date. This date will be used for all gaming financial reports, with the exception of raffles with a total ticket value of \$10,000 or less.



Casino, Bingo, Pull Ticket and Raffles TTV More than \$10,000

- Report sent to Treasurer
- After annual reporting date



Raffles TTV \$10,000 and Less

- No financial report is sent
- Group submits the financial form to the AGLC within 60 days after final draw date
- Can submit electronically with an AGLC Internet Account.

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Gaming Policies

Gaming Licence Applications & Forms and GAIN Program

Welcome to the Alberta Gaming and Liquor Commission

We are a Government of Alberta agency responsible for administering the *Gaming and Liquor Act*, Regulation and related policy.

Our business focuses on:

- ensuring the gaming and liquor activities in Alberta are conducted honestly, openly and with integrity, and
- maximizing the economic benefits of gaming and liquor activities in the province to benefit all Albertans.

We invite you to explore our website to learn more about our organization and our business. You can also sign up for our regular email newsletter: [Subscribe](#) | [Unsubscribe](#) | [Printable Version](#)

GAIN Online

gain.aglc.ca



- Same content as the facilitated sessions
- Access through the internet at your convenience
- Registration requires an email address and your organization's AGLC ID number



Contact Information

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GAIN Program Contact Information:

Phone: 1-780-447-7499
 Toll Free: 1-866-307-7499
 Fax: 1-780-651-7626
 Email: gain@aglc.ca
 Online Program: gain.aglc.ca

Additional AGLC Contact Information:

AGLC Main Reception: Phone: 780-447-8600
 AGLC Toll Free: Phone: 1-800-272-8876
 Use of Proceeds: Phone: 1-855-506-1066
 Email: gaming.useofproceeds@aglc.ca
 Gaming Licensing: Email: gaming.licensing@aglc.ca
 Licensing Support: Fax: 780-447-8911 or 780-447-8912
 Financial Review: Fax: 780-447-7502



Questions ?

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