

Guide

Catch the Ace

Alcohol and Gaming Commission of Ontario

90 SHEPPARD AVE E • SUITE 200

TORONTO ON M2N 0A4

Fax: 416 326-8711

Tel: 416 326-8700 or 1 800 522-2876 toll free in Ontario

© Queens Printer of Ontario, 2016 • Disponible en Français

Website: www.agco.on.ca

What is Catch the Ace?

A "Catch the Ace" progressive (accumulating jackpot) raffle lottery is a multiple draw game in which participants purchase tickets for a chance to win:

- A. a percentage of the proceeds from the sale of tickets from one draw and;
 - B. the draw winner also gets a chance to win a progressive (cumulative) jackpot by selecting a new card from a standard deck of 52 playing cards.
- The person who holds the winning ticket selected in each draw has an opportunity to select one playing card from the single deck of 52 playing cards. If the Ace of Spades is selected, in addition to winning a percentage of the proceeds from the draw, the person will win the progressive jackpot.
 - If the card selected is not the Ace of Spades, the selected card is removed from the deck and the progressive prize portion of the ticket sales for that draw is rolled over into the progressive jackpot for the next scheduled draw.
 - The licensee conducts the scheduled events until the Ace of Spades has been selected and the progressive jackpot has been awarded.
 - Tickets are valid only for the draw they are purchased for. Once the draw is complete, the non-winning tickets are removed from the draw container and a new series of tickets will be sold for the next draw.

EVENT DETAILS

In addition to the obligation to manage and conduct a raffle lottery event, licensees must adhere to the following event details:

- **The prize structure must be as follows:**
 - o 20% of event ticket sales – awarded to the bearer of the winning ticket at each draw
 - o 30% of event ticket sales – allocated to the progressive jackpot
 - o 50% of event ticket sales - retained by licensee and from which all allowable expenses will be paid
- Roll tickets or stub tickets may be used.
- A standard deck of 52 playing cards (the 2 through to the Ace of diamonds, hearts, clubs and spades

totaling 52 cards) are each placed in identical, opaque envelopes and sealed. Those sealed envelopes will be shuffled, randomly numbered from 1 to 52 and be on public display, in a secure fashion at each draw. As an alternative to using a deck of playing cards, the licensee may also use approved gaming supplies from a registered supplier.

- It is not mandatory for the purchaser of the ticket selected at a draw to be in attendance. However:
 - o If the licensee is using roll tickets, the licensee is required to include in the Rules of Play the amount of time within which the winner must claim the prize before another ticket is drawn.
 - o If stub tickets are used, the licensee shall require purchasers to provide their name and contact information and to indicate in a designated area on the stub, the envelope number selected by the purchaser in the event that his or her ticket is drawn. The licensee must also set out a procedure to be followed in the event that envelope number has already been chosen and is no longer available.
- Once sales for a draw have closed, a ticket must be selected as the winning ticket for that draw. The number on the ticket will be announced at the draw and the prize shall be awarded accordingly.
- The licensee must use a container that is large enough to hold all sold tickets or stubs.
- All prizes must be paid by cheque in Canadian funds.
- The Rules of Play must be posted at the location of the draw and be readily available to the public.
- The Ontario Problem Gambling Helpline name and phone number (1-888-230-3505) must appear on the Rules of Play, in all print advertising and on all stub tickets.
- Once the Ace of Spades card is selected, the event and licence are concluded. If the licensee wishes to conduct another Catch the Ace event, a new licence must be obtained.

CONTROL PROCEDURES

Licensees must ensure the following:

Tickets:

1. Tickets (serialization) must be unique from draw to draw.

2. There must be no duplicate ticket numbers for all draws under a licence. There must be a documented process in place showing how the licensee will ensure there are no duplicate tickets for all draws.
3. Tickets are only eligible for the draw for which they are purchased. At the conclusion of the draw, all non-winning tickets must be removed from the container. Non-winning tickets may be destroyed after 30 calendar days.
4. Winning tickets must be kept in accordance with the requirements outlined in the Raffle Terms and Conditions.
5. The licensee will keep a record or log for all draws recording the sequence numbers and other characteristics for all tickets in play.

Draw Process:

1. Immediately prior to the draw, the tickets sales for the draw, the draw prize and the current progressive jackpot amount must be announced.
2. In the event that the Ace of Spades is not drawn, the licensee will immediately destroy the card selected by the winner of the draw. The licensee must maintain a log to record the destruction of all cards. The log must include the draw date, complete card details and verification by the bona fide member who destroyed the card, and by another bona fide member in charge of the lottery licensee.
3. All draws will be video recorded by the licensee.
4. Participants will be advised in the Rules of Play that all raffle draws will be video recorded in order to ensure raffle integrity.
5. Video recordings must be secured by the licensee and made available to the licensing authority upon request. All video recordings must be maintained for at least 30 calendar days after the draw date, after which they may be deleted or destroyed.
6. The video recording shall in be high definition (minimum resolution – 720p) in a well-lit environment, have an unobstructed view of all raffle activities and show:
 - a. Selection of the winning draw ticket;
 - b. Selection of the envelope by the bearer of the winning draw ticket;

- c. Reveal of playing card within selected envelope; and
- d. Destruction of the playing card.

LICENSING AUTHORITY

Prize boards up to \$50,000:

- Municipal licensing authorities may issue licences for Catch the Ace events with a prize board up to \$50,000. As part of the application process, applicants will submit a proposed draw schedule and sales plan outlining the maximum sales and prizes per draw to ensure the cumulative prizes do not exceed \$50,000 for the licence period. Municipalities may charge up to 3% of prizes for licence fees.

Prize boards over \$50,000

- The Registrar of Alcohol, Gaming and Racing may issue licences for Catch the Ace events with a prize board over \$50,000. As part of the application process, applicants are required to notify, in writing, the municipality where the event is to be conducted and provide a copy of the written notification to the AGCO. Applicants will also submit a proposed draw schedule along with a safety and security plan describing the control measures that will be put in place as the progressive prize amount grows.
- Control measures should address issues including (but not limited to) how the applicant will address the potential for increased attendance and traffic at the draw venue, and how the money from ticket sales will be secured.

TERMS AND CONDITIONS

The following Terms and Conditions are applicable to the Catch the Ace progressive raffle pilot:

Under a Raffle Lottery Licence

- *Lottery Licence Terms & Conditions (Form 4240E)*
- *Raffle Licence Terms & Conditions (Form 6004A)*
- *Registrar’s Standards: Financial Management and Administration Where Proceeds Are Not Pooled (Form 4244E)*

Under the Bingo Revenue Model Lottery Licence

- *Charitable Gaming Events Conducted and*

Managed in Pooling Bingo Halls Terms & Conditions (Form 4241E)

- **Registrar's Standards: Financial Management and Administration for Bingo Halls Where Proceeds Are Pooled (Form 4242E)**

Lottery licensees are required to comply with all other applicable laws. In particular, if the facility in which any part of the event is held has a liquor licence, the **Liquor Licence Act** applies.

- Refer to Information Bulletin 78 for Terms and Conditions, Exemptions and Modifications.

REPORTING REQUIREMENTS

Catch the Ace report (Form 6044), along with all supporting documentation must be submitted to the licensing authority within 7 calendar days after every fourth draw.

APPLICATION GUIDELINES

Are You Eligible for Charitable Gaming Licences?

The eligibility of your organization will be determined by the licensing office you are applying to. Charitable registration with Revenue Canada or incorporation as a non-profit organization does **NOT** guarantee eligibility for licences.

Your organization may be eligible if it:
Has a purpose to provide charitable services to Ontario residents to:

- A. Relieve Poverty
- B. Advance Education
- C. Advance Religion
- D. Benefit the community

AND

- has carried out activities consistent with its charitable purpose for at least 1 year
- is located in Ontario
- is non-profit

Examples may include:

- hospital foundations
- service clubs
- youth activities or sports

- arts or culture

Organizations that only promote the private interests of their members **DO NOT** qualify for a lottery licence. This may include, but is **NOT** limited to:

- adult recreation or sports
- individual sport teams
- unions or employee groups
- social clubs
- professional associations
- political, government, lobbying or advocacy groups

NOTE TO APPLICANTS

- Ensure that you read and understand the **applicable Terms and Conditions** before proceeding with this package.
- Keep a copy of all licence application documents for your records.
- Activities are regulated by **Criminal Code of Canada, Section 206 & 207**, Ontario **Order-in-Council** and the **Gaming Control Act, 1992 and Regulations**.
- The **Gaming Control Act, 1992** and Regulations can found on the AGCO website and www.ontario.ca.

APPLICATION CHANGES

- If you make changes to your **Licence Application** package before you submit it to your licensing authority, each change must be initialed on each document by the **Licence Application** signors and other signors of that document.
- Changes to your submitted **Licence Application** package must be made in writing on your organization's letterhead, signed by the **Licence Application** signors and include supporting documents that are affected (e.g. new municipal approval). AGCO requires at least 2 weeks written notice. Application changes are **NOT** automatically approved and may **NOT** be permitted.
- Expired **licences** may **NOT** be amended or cancelled.

LICENCE APPLICATION INSTRUCTIONS

Your licence application is a legal document and will be returned or delayed if the instructions (below) are not followed or if items (on application) are missing. This may result in the delay of your charitable gaming event.

- AGCO requires a minimum of 30 days processing time and 45 days for first time licensees.
- If you already have a **GIN** (Group Identification Number), print it on all documents and correspondence.
- Type or legibly print all information.
- Answer every question completely.
- Only **original** forms and signatures will be accepted.
- Persons signing this **Licence Application** must comply with the **all applicable Terms and Conditions**.

LICENCE FEE

Municipal

- All raffle licence applications with a prize value of \$50,000 or less to be submitted to the Municipality.
- Municipality may charge up to a maximum of 3% of the prize board.
- Licensee to consult with municipality for further explanation of fee.

Provincial

- All raffle licence application with a prize value greater than \$50,000 to be submitted to the AGCO.
- Licence fee is 1% of total prizes.
- Make payment to **Minister of Finance**.
- Licence fees collected with Catch the Ace raffle report after every 4 draws.
- An administrative fee is charged for cheques returned by the bank.

LETTER OF CREDIT

Requirements will be outlined by your licensing authority.

Municipal

- Contact the Municipality about requirements.

Provincial

- Contact the AGCO about requirements.

USE OF NET PROCEEDS

List specific projects or items for which funds will be used. They must fall within your objects or purposes as outlined in your governing documents. We are **NOT** asking for your mission statement or charitable purpose. Once your Raffle licence is issued, if your organization intends to spend money on other items, a written request must be sent to your licensing authority. Written approval must be issued by licensing authority and received by your organization before proceeds can be spent on new items.

LOTTERY TRUST ACCOUNT

The licensee must open and maintain a separate designated lottery trust account to administer all funds related to the conduct of lottery events.

See Raffle Licence Terms and Conditions, (10) Banking and Financial.

APPLICATION CHECKLIST

First-time applicants must enclose copies of:

- **Governing documents**
Letters Patent, by-laws, constitution, charter, trust deed, memorandum/articles of association, signed as required.
- **Revenue Canada Notification of Registration Letter**
If your organization is registered.
- **Detailed outline of programs/services**
What they are, how delivered to clients, specific costs, supporting materials, etc.
- **Organization's current operating budget**
- **Organization's verified financial statements for last fiscal year**
- **Copy of Municipal notification, if applying to AGCO**
- **Rules of Play for raffle**
- **Ticket Sample**
- **Copy of your safety and security plan**
- **List of Board of Directors with contact information**

If AGCO has already issued gaming event licences to your organization, you must provide:

- o **Outstanding Raffle Licence Financial Reports**
See Raffle Licence Terms and Conditions Reporting Requirements.
- o **Outstanding Financial reports for other Charitable gaming events**
- o **Outstanding information requests from your licensing authority**
- o **Rules of Play for raffle**
- o **Ticket Sample**
- o **Copy of your safety and security plan**
- o **Annual updated List of Board of Directors**
- o **Changes to governing documents and Revenue Canada status**
Includes amendments, supplements, reinstatements, revocations, dissolutions, etc.
- o **Annual verified financial statements**
See Raffle Licence Terms and Conditions, Reporting Requirements.

- o The number of people expected to attend;
- o The size of the area where patrons will be allowed to drink alcohol (if applicable); and
- o How people will get into and out of the event (i.e. traffic and patrol plans).

You may be asked to provide the licensing authority with additional information.

DETAILS TO CONSIDER FOR YOUR EVENT

- **Liquor Licensed Establishments**
Lottery licensees are required to comply with all other applicable laws. In particular, if the facility in which any part of the event is held has a liquor licence, the *Liquor Licence Act* applies.
- **Event Location**
Where will the event be held? Has the landlord consented to the charitable gaming event? You must notify the local municipality and provide a copy to the AGCO (if applying for a provincial licence) of the notification.
- **Security**
When planning security for your event, employ a risk-based strategy: the higher the risk to public safety, the more security measures should be put in place. The numbers of volunteers, security and police will be based on, but not limited to, the following:
 - o The location of the event;
 - o The dates and hours of the event;

