

## Super Jackpot Licence Terms and Conditions

### DEFINITIONS

**bingo** means a lottery scheme where consideration is given for a chance to win a cash prize or prizes by being the first to complete a specified arrangement of numbers on bingo paper from numbers selected at random.

**bingo hall** means a type of charitable gaming site where a charitable organization conducts and manages a lottery scheme under the authority of a licence issued by a municipality or by the Registrar.

**bingo paper** means a device of pre-printed numbers on disposable paper, cards or books or reusable hardboard or plastic cards.

**Board of Directors** means the individuals elected or appointed to manage the affairs of the licensee.

**bona fide member** means a member in good standing of the licensee who has other activities, beyond conducting lotteries, within the organization. "Members of convenience" whose only activity is to assist with the Super Jackpot, are not considered bona fide members.

**books and records** means documents outlining financial details of lottery events and includes, but is not limited to, ledgers, sub ledgers, cheque books, cheque stubs, deposit books, deposit slips, bank statements, cancelled cheques, receipts, invoices and control sheets.

**charitable gaming site** means a gaming site where a charitable organization conducts and manages a lottery scheme under the authority of a licence issued by a municipality or by the Registrar.

**Gaming-Related Supplier** means a person who manufactures, provides, installs, tests, maintains or repairs gaming equipment or who provides

consulting or similar services directly related to the playing of a lottery scheme or the operation of a gaming site and who is registered under the *Gaming Control Act, 1992* and Regulations.

**gaming site** means premises or an electronic channel maintained for the purpose of playing or operating a lottery scheme.

**Hall Charities Association** means an association formed by all the licensees conducting bingo and other lotteries within a charitable gaming site

**hall rental** means payment made by the licensee to an Operator of a bingo hall registered under the *Gaming Control Act, 1992* from event proceeds, calculated per these terms and conditions. For the hall rental received, the Operator provides goods and services to the licensee for the conduct of the event which include, but are not limited to, bingo paper, security, storage, gaming equipment, office equipment, materials, space, utilities and employee services.

**licensee** means an organization which has been issued a licence to conduct a lottery under Section 207 of the *Criminal Code* of Canada and includes a Hall Charities Association.

**licensing authority** means a person or authority specified by Lieutenant Governor in Council as a licensing authority for purposes of section 207 of the *Criminal Code* of Canada.

**Operator** means the operator of a gaming site registered under the *Gaming Control Act, 1992* and Regulations.

**Registrar** means the Registrar of Alcohol and Gaming.

**Regular Bingo licence** means a licence permitting the conduct of bingo where the total prizes for any one (1) event does not exceed \$5,500.

**Super Jackpot** means a separately licensed bingo game run in conjunction with a Regular Bingo event. The prize is awarded based on completing a specified pattern within a designated number of numbers drawn. The designated number increases from event to event until the prize is won.

**Every Super Jackpot licence issued is subject to the *Regular and Special Bingo Licence Terms and Conditions (3011)* and the *Lottery Licence Terms and Conditions (4240)* except as stated otherwise in the following terms and conditions and may be subject to audit and investigation by a licensing authority. A breach of any term and condition can result in the cancellation or suspension of the licence or in prosecution.**

**It is a condition of each licence that:**

**(1) GENERAL**

- 1.1 The licensee is responsible and accountable for the overall management and conduct of the Super Jackpot.
- 1.2 The licensee must control and decide all operational, administrative and staffing requirements related to the conduct of the Super Jackpot.
- 1.3 The licensee must comply with all federal, provincial and municipal laws including the *Criminal Code of Canada* and the *Gaming Control Act, 1992*.
- 1.4 The licensee must conduct the Super Jackpot in accordance with the information supplied on the application and approved by the licence.
- 1.5 The original of each licence must be displayed at the premises where the Super Jackpot is being conducted.
- 1.6 Each Super Jackpot must be operated either:
  - a) by a Hall Charities Association; or
  - b) by the licensee conducting the Regular Bingo event in all other cases.

**(2) STAFFING – HALL CHARITIES ASSOCIATIONS**

- 2.1 Each Super Jackpot licence in a bingo hall must be administered by a Hall Charities Association.
- 2.2 The Hall Charities Association must designate at least two (2) bona fide, active members of the association to be in charge of and responsible for the conduct and administration of each Super Jackpot licence on behalf of the association. The association is responsible for:
  - a) administering and supervising the conduct of the Super Jackpot;
  - b) completing and filing the required financial report on the results of the event;
  - c) keeping all required records and administering the Super Jackpot trust account;
  - d) ensuring that proceeds raised are distributed on a pro rata basis to all member organizations of the Hall Charities Association.
- 2.3 The Hall Charities Association may designate different persons to be in charge of each Super Jackpot event on behalf of the association.
- 2.4 The Hall Charities Association must open one (1) separate, designated Super Jackpot trust account for one (1) horizontal Super Jackpot or one (1) designated Super Jackpot trust account to administer the conduct of all vertical Super Jackpots. The Super Jackpot trust account must be administered in accordance with Section 11 of these terms and conditions.
- 2.5 Personnel required to assist in the conduct of the Super Jackpot must be those that are assisting with the Regular Bingo events.

**(3) STAFFING – OTHER**

- 3.1 Licensees, other than Hall Charities Associations, must designate at least two (2) bona fide, active members of the licensee to be in charge of and responsible for the conduct and administration of each Super Jackpot licence on behalf of the

licensee. The designated members in charge must be at least 18 years of age and, on behalf of the licensee, be responsible for:

- a) supervising all activities related to the conduct of the Super Jackpot;
- b) completing and filing the required financial report on the results of the Super Jackpot;
- c) ensuring that all terms and conditions of the licence and any additional conditions imposed by a licensing authority are complied with.

**3.2** Personnel required to assist in the conduct of the Super Jackpot must be those that are assisting with the Regular Bingo event.

#### **(4) CONDUCT OF THE EVENT**

**4.1** Super Jackpots must be conducted in conjunction with a Regular Bingo event and must be managed only by the licensee which is conducting the Regular Bingo event.

**4.2** The licensee must ensure that no person directly involved in or responsible for the conduct of the Super Jackpot game or selling or involved in the sales of Super Jackpot bingo paper purchases Super Jackpot bingo paper or plays the Super Jackpot game during that event. The licensee must also ensure that none of these persons pays consideration for or plays a lottery scheme which is licensed within the bingo hall for which the licensee and its member organizations provides or arranges for services and held in conjunction with the Super Jackpot game.

#### **(5) BINGO PAPER SALES**

**5.1** The licensee must not allow any person apparently under the age of 18 to participate as a player in the Super Jackpot game.

**5.2** The licensee must sell Super Jackpot bingo paper only for the price indicated and approved on the application for licence.

**5.3** The licensee must sell Super Jackpot bingo paper only during the Regular Bingo event

in which the Super Jackpot game is to be held.

#### **(6) ADVERTISING**

**6.1** Advertising and promotional costs incurred by the licensee must not exceed two (2) per cent of the actual prizes awarded for all Super Jackpot events. The advertising of Super Jackpot games is subject to the *Regular and Special Bingo Licence Terms and Conditions* of Regular Bingo advertising.

#### **(7) PRIZES**

**7.1** The main Super Jackpot prize must be awarded to the person or persons achieving a full card in the designated number of calls or less.

**7.2** At any session where the main Super Jackpot prize is not won (within the designated number of calls), the consolation prize must be awarded to the person or persons achieving a full card in more than the designated number of calls.

**7.3** The licensee must award all line prizes as approved on the application for licence.

**7.4** The designated number of calls required to win the licensed main Super Jackpot prize in the initial session of each round must be 50 (for one (1) to 75 number bingo) and must progress by one (1) additional call each session on the licence until the main jackpot prize is won.

**7.5** All prize money must be divided equally amongst all persons achieving a bingo within the same number of calls.

#### **(8) PROCEEDS AND EXPENSES**

**8.1** The net proceeds derived from the conduct of the Super Jackpot must be used for the charitable or religious objects or purposes as listed and approved on the concurrent Regular Bingo application.

**8.2** All prizes and expenses incurred as a result of conducting the Super Jackpot must be deducted and paid out from the gross

receipts derived from the Super Jackpot. The licensee must not use monies from any other source to pay for expenses related to the Super Jackpot.

**8.3** Expenses must be directly related to the conduct of the Super Jackpot.

**8.4 a)** Each expense must be individually calculated and paid by cheque, in Canadian funds, drawn on the designated lottery trust account as described in Section 11. The licensee must pay separately each supplier registered under the *Gaming Control Act, 1992*.

**b)** The licensee must make timely payment for goods and/or services received from suppliers registered under the *Gaming Control Act, 1992*.

**8.5 a)** The net proceeds derived from the conduct of a Super Jackpot game must be disbursed to all members of the Hall Charities Association on a monthly basis.

**b)** The division of proceeds must be made based on the frequency of Regular Bingo events held by each member organization each month.

**8.6 a) Licensees Using the Services of an Operator Registered under the *Gaming Control Act, 1992*.**

The gross receipts derived from the Super Jackpot must be distributed at a minimum on a monthly basis by Hall Charities Associations and on an event basis by other licensees as follows:

**i.** The payment of all prizes, advertising and promotion, and the licence fee must be deducted first from the gross receipts.

**ii.** The licensee must retain a minimum of 60 per cent of the remaining proceeds.

**iii.** The licensee may pay the bingo hall Operator a maximum of 40 per cent of the remaining proceeds after calculating paragraph 8.6(a)(i) up to a maximum of 15 per cent of the gross receipts, whichever is less, as hall rental.

**iv.** If, after calculating paragraph 8.6(a)(i), the event results in a loss, the licensee will be responsible for a maximum 50 per cent of the loss incurred. The licensee must receive the remainder in payment from the Operator of the bingo hall.

**v.** Cash shortages incurred as a result of an error on the part of the licensee or a member organization of the Hall Charities Association shall be deducted from their share of proceeds. Cash shortages incurred as a result of an error on the part of the Operator or its employees must be deducted from the hall rental paid to the Operator of the bingo hall. In the event of a loss, the licensee must receive the shortage in payment from the Operator.

**vi.** The Goods and Services Tax on hall rental, as calculated in paragraph 8.6(a)(iii), must be paid from the proceeds retained by the licensee.

**vii.** The Hall Charities Association may use a maximum of one (1) per cent of the gross receipts to pay for administrative costs associated with the Super Jackpot. Any such costs must be paid from the proceeds retained by the association. No part of the allowed administrative costs may be paid to the Operator or the association officers/directors.

**viii.** All other expenses of the Operator must not be paid by the licensee.

**b) Licensees Not Using the Services of an Operator of a Bingo Hall Registered under the *Gaming Control Act, 1992*.**

Allowable expenses incurred in the conduct of the Super Jackpot must include only those that are necessary and reasonable, as approved on the application for licence. These may include, but are not limited to, licence fee, advertising and promotion, Super Jackpot bingo paper and taxes.

**8.7** Honorariums to bona fide members and advertising costs must be paid only from the gross receipts derived from the conduct of the Regular Bingo event in accordance with the limits prescribed in the *Regular*

and *Special Bingo Licence Terms and Conditions*.

**(9) AMERICAN CURRENCY**

**9.1** American currency may be accepted as payment for Super Jackpot bingo paper only by licensees which may accept American currency for their Regular Bingo events, as per the *Regular and Special Bingo Licence Terms and Conditions*, paragraph 10.1.

**9.2 a)** A licensee which accepts American currency must maintain a second lottery trust account in American funds for the purpose of depositing all funds received in American currency and replenishing the float required in American funds. The account must be operated as outlined in Section 11, except as stated otherwise in this section, "American Currency."

**b)** No withdrawals, by cheque or otherwise, may be made from this account, except as provided for in paragraphs 9.2(a), 9.4, and 9.9 or unless written permission has been granted by a licensing authority.

**9.3** The maximum amount which may be on deposit in the American account at any time must not exceed \$5,000.

**9.4** Deposits in excess of \$5,000 in American funds (including interest) must be withdrawn by cheque and deposited into the Canadian designated lottery trust account.

**9.5** The distribution of gross receipts must be done from the Canadian designated lottery trust account and calculated in accordance with paragraph 8.6. For licensees which accept American currency, gross receipts referred to in paragraphs 8.2 and 8.6 must refer to the adjusted gross receipts which is calculated as follows:

Total gross receipts in Canadian dollars  
(+) total gross receipts in American dollars  
(+) the premium paid on American dollars  
(-) the premium on the prizes paid out in American dollars.

**9.6 a)** When deducting prizes from the adjusted gross receipts, the licensee must not include any premium which may

have been applicable to the prizes paid in American currency.

**b)** Profit and expense calculations must be based on the adjusted gross receipts.

**c)** All expenses must be paid by cheque, in Canadian currency only, drawn on the Canadian designated lottery trust account.

**9.7** For the purposes of calculating the adjusted gross receipts, the licensee must use the daily "buying" exchange rate set by the chartered banks. The licensee must obtain this information from the Operator of the bingo hall.

**9.8** All bingo paper sold in the lower-valued currency must be distinguished with a hole punch. The licensee must receive the bingo paper pre-punched from the Operator of the bingo hall.

**9.9** Bingo paper sold in American currency must be paid prizes in American currency and may be paid from the cash proceeds or by cheque from the American account.

**9.10** Bingo paper sold in Canadian currency must be paid prizes in Canadian currency.

**(10) BOOKS AND RECORDS**

**10.1** The licensee must obtain receipts for each expense incurred.

**10.2** The licensee shall maintain detailed records of the disbursement of all proceeds derived from the conduct and management of the lottery schemes within the bingo hall for which the licensee and its member organizations provided or arranged for services.

**10.3** The licensee must maintain books, records and other documents in support of all financial reports or statements. These records must be kept up to date and be retained for no less than four (4) years from the date of the Super Jackpot.

**10.4** The licensee must:

**a)** provide unencumbered access to the licensee's books, records and other documents including, but not limited to, those related to the conduct and management of

lottery schemes and the use of proceeds from those lottery schemes within the bingo hall to persons appointed by a licensing authority and to all peace officers; and

b) deliver to a licensing authority within the time period specified by a licensing authority the licensee's books, records and other documents including, but not limited to, those related to the conduct and management of lottery schemes and the use of proceeds from those lottery schemes within the bingo hall and such other materials as required by a licensing authority for audit and investigation purposes.

## **(11) BANKING AND FINANCIAL**

### **11.1 The licensee must**

a) hold all proceeds from the conduct and management of lottery schemes conducted and managed within the bingo hall in trust; and

b) open and maintain a separate designated lottery trust account to administer these proceeds as follows:

i. a Hall Charities Association must open one (1) separate, designated Super Jackpot trust account for one (1) horizontal Super Jackpot or one (1) designated Super Jackpot trust account to administer the conduct of all vertical super jackpots;

ii. licensees other than a Hall Charities Association and member organizations of an association must deposit their share of Super Jackpot proceeds into their designated bingo trust account. Proceeds so received must be used only for the purposes listed and approved on the concurrent Regular Bingo application.

**11.2** The designated lottery trust account must be maintained in the name of the licensee, in trust and must have the following features:

a) cheque writing privileges and monthly statements issued;

b) all cheques or electronic images of backs and fronts of cheques returned with monthly statement.

**11.3** Any interest accrued on the lottery trust account must be used for the charitable purposes of the licensee.

**11.4** In administering the lottery trust account, the licensee must:

a) appoint a minimum of four (4) signing officers in the case of a Hall Charities Association and two (2) signing officers for other licensees, who must be bona fide members of the licensee, to administer the account and write cheques on behalf of the licensee;

b) deposit into the account all monies derived from the operation of the Super Jackpot, as soon as it is practical to do so and by deposit slip only;

c) ensure all withdrawals are made by cheque;

d) ensure cheques are written only for the payment of the expenses incurred in the conduct of the lottery, the payment of prizes and, in the case of a Hall Charities Association, the disbursement of net proceeds to its member organizations or, for licensees other than an association and member organizations, the donation of net proceeds for the charitable purposes approved on the bingo application for licence.

**11.5 The licensee must not:**

a) i. where the licensee is a Hall Charities Association, deposit monies received from any source other than Super Jackpot games conducted by member organizations into the designated Super Jackpot trust account; or

ii. where a licensee is other than a Hall Charities Association or a member organization of an association and only one (1) designated lottery trust account is maintained, deposit monies received from any source other than lottery events conducted by the licensee into the designated trust account; or

iii. where a licensee is other than a Hall Charities Association or a member organization of an association and a separate designated bingo trust account has been established, deposit monies received from any other source, except proceeds received from participating in Super Jackpots and break open ticket lotteries held in conjunction with bingos, into the designated bingo trust account;

b) move funds by any means from the designated lottery trust account into an operating or general account of the licensee or a member organization of the Hall Charities Association;

c) close the designated lottery trust account until all monies have been donated to approved charitable purposes or, in the case of a Hall Charities Association, distributed to its member organizations, and a report has been submitted to a licensing authority.

**11.6** Where one (1) designated lottery trust account is maintained for proceeds from more than one (1) type of lottery event, the licensee must maintain separate ledgers outlining financial details for each type of lottery event conducted, by game and licence, including proceeds derived from each, expenses paid in the conduct of each and a list of how proceeds have been disbursed.

## **(12) REPORTING REQUIREMENTS**

**12.1** The licensee must provide a licensing authority with a financial report outlining the results of the Super Jackpot on the prescribed form. Copies of all deposit slips related to the events, verified (stamped) by the bank, must accompany the financial report.

**12.2** The financial report must be filed by the 15th day of each month outlining the financial details of the Super Jackpot for the previous month. A licensing authority may request additional documents deemed necessary to substantiate the particulars of the event which may include receipts for each expense incurred.

**12.3** The licensee must provide, within 180 days of its fiscal year end, each licensing authority that issued it a licence with:

a) financial statements prepared in accordance with paragraph 12.4. The financial statements must include a summary of the financial information with respect to the receipt and use of lottery proceeds from all lottery schemes for which it is licensed. In addition, if not shown in a clear and concise manner in the body of the financial statements or in the notes to the financial statements, supplementary information providing by licence all expenses, disbursements, net proceeds and use of net proceeds for all lottery schemes for which it is licensed;

b) a report on the licensee's compliance with the terms and conditions of the licences prepared in accordance with paragraph 12.4.

**12.4** A licensee that receives:

a) less than \$250,000 in gross annual revenues from all sources must prepare financial statements in accordance with the standards set out in the *CICA Handbook*;

b) \$250,000 or more in gross annual revenues from all sources must prepare financial statements in accordance with the standards set out in the *CICA Handbook* which have been audited by a public accountant.

**12.5** The licensee must provide to a licensing authority within the time period specified by a licensing authority any information, materials, financial statements, audited financial statements, review engagement reports, compliance reports or auditor's reports on compliance as a licensing authority may require.

**12.6** The licensee may use lottery proceeds to pay the expenses of the financial statements and reports required by paragraph 12.4 or, with the approval of a licensing authority, by paragraph 12.5. This expense must not be included in any expense maximum within these terms and conditions.