



SOCIAL GAMING EVENT LICENCE TERMS AND CONDITIONS

DEFINITIONS

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 lottery events, within the organization. 'Members of convenience' whose only activity is to assist at Social Gaming Events 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 gaming documents and records relating to the control, recording and summarizing of cash and chip transactions.

LICENSEE means an organization which has been issued a licence to conduct a lottery scheme under Section 207 of the **Criminal Code of Canada**.

LICENSING AUTHORITY means a person or authority specified by the Lieutenant Governor in Council as a licensing authority for purposes of section 207 of the **Criminal Code of Canada**. The licensing authority for Social Gaming Events is the Registrar of Alcohol and Gaming.

REGISTRAR means the Registrar of Alcohol and Gaming.

SOCIAL GAMING EVENT means an event where no more than a total of 20 blackjack tables and/or wheels of fortune are operated, and where the gaming activities are ancillary or complementary to a social occasion such as a dinner or dance sponsored by the licensee of the Social Gaming Event, or as approved by the Registrar. The operating hours of the Social Gaming Event must fall within the operating hours of the social occasion and cannot exceed 8 consecutive hours in duration between the hours of 12:00 noon to 2:00 a.m.

SOCIAL GAMING EVENT LICENCE means a licence permitting the conduct of a Social Gaming Event.

Any Social Gaming Event licence issued is subject to the following terms and conditions and may be subject to audit and investigation by the licensing authority. A breach of any term and condition can result in the cancellation or suspension of the licence or in criminal prosecution.

It is a condition of each licence that :

(1) GENERAL

- 1.1 The licensee shall be responsible and accountable for the overall management and conduct of the Social Gaming Event.
- 1.2 The licensee shall control and decide all operational, administrative and staffing requirements related to the conduct and management of the Social Gaming Event.
- 1.3 The licensee shall comply with all federal, provincial and municipal laws including the **Criminal Code of Canada** and the **Gaming Control Act, 1992**.
- 1.4 The licensee shall conduct and manage the Social Gaming Event in accordance with the information supplied on the application and approved by the licence, the terms and conditions of the licence or additional conditions imposed by the licensing authority and the rules of play.
- 1.5 The original licence shall be prominently displayed at the premises where the Social Gaming Event is being conducted.

(2) STAFFING

2.1 The licensee shall have a minimum of three (3) bona fide, active members present continuously during the conduct of the Social Gaming Event to hold the positions of :

Designated Member in Charge
General Cashier
Chip Cashier.

The designated members shall not be related or associated with the registered gaming supplier, or an employee thereof.

The designated members shall be at least 18 years of age, and, on behalf of the licensee, be responsible for:

- a) supervising all activities related to the conduct and management of the Social Gaming Event;
- b) completing and filing the required financial report on the results of the event;
- c) ensuring that all terms and conditions of the licence and any additional terms and conditions imposed by the licensing authority, and rules of play are complied with;
- d) keeping all required records and depositing all monies into the designated lottery account;
- e) observing play, controlling chips, cash and chip movement, and reconciling all cash and chip transactions in a timely manner during the conduct of the event;
- f) witnessing and authorizing all cash and chip transactions at the cage in a timely manner during the event;
- g) reviewing and approving financial and gaming control sheets, including the calculation of the daily and event wins.

2.2 The licensee shall set up a bank to be managed and controlled continuously by two bona fide members of the licensee who shall hold the positions of general and chip cashiers.

a) The General Cashier shall be responsible for reconciling and recording all cash and chip transactions for which the General Cashier is responsible.

b) The Chip Cashier shall be responsible for verifying table openers and closers, reconciling and recording all chip transactions, controlling fill and credit documents and transactions, and supervising all chip and table runners.

2.3 The licensee shall not allow any person who has had a registration under the **Gaming Control Act, 1992** revoked, suspended or refused to participate in any way in the conduct, management or operation of the event.

2.4 The licensee shall not pay for the wages of the registered gaming supplier's employees.

2.5 The licensee shall ensure that no Pit Boss, Floor Person or other Supervisor, chip or table runners, bona fide and other members of the licensee, and no other employee solicits any tip or gratuity from any patron at the Social Gaming Event.

2.6 The licensee may permit a dealer, and only a dealer, to accept tips or gratuities from patrons at the gaming table at which the dealer is conducting play, provided that the tips are pooled and distributed among dealers on a pro rata basis.

2.7 Where the licensee uses employees of a registered gaming supplier to assist in the operation of the games of chance, the individuals must be registered as gaming assistants under the **Gaming Control Act, 1992**.

(3) EQUIPMENT, SUPPLIES AND SERVICES

3.1 The licensee shall rent or lease equipment necessary for the conduct of the Social Gaming Event only from a gaming supplier registered under the **Gaming Control Act, 1992**.

3.2 The licensee shall obtain a written quotation from the charitable event supplier outlining the anticipated costs of goods and services supplied to the licensee to assist in the conduct and management of the Social Gaming event. The quotation shall include the number of tables and wheels, rental rates, charges for personnel and

any other costs. Ineligible costs include costs of parking, food and beverages, decorations and other costs unrelated to conducting the Social Gaming Event. Cost of renting the space where the gaming activities are held must be supported by a separate invoice, or, where a separate invoice is unavailable, rental cost for the gaming activities cannot exceed 15% of the total rental cost for the social gaming occasion.

- 3.3 The licensee shall not enter into any verbal or written contract that includes a no-loss guarantee or a guarantee regarding the revenues that can be made from a Social Gaming Event by the registered gaming supplier, person supplying the premise where the event is held, or an associate thereof.

(4) CONDUCT OF THE EVENT

- 4.1 The licensee shall ensure that no person directly involved in or responsible for the conduct of the Social Gaming Event shall participate as a player in any game of chance during that event.
- 4.2 The licensee shall not permit any person who appears intoxicated or under the influence of drugs or disrupts other patrons or staff to enter or remain at the event. Also, the licensee shall not allow any person apparently under the age of 18 to participate as a player in any game of chance.
- 4.3 All games shall be operated exclusively on the basis of the rules supplied with the licence. Any variation of these rules is strictly prohibited.
- 4.4 The licensee shall use only chips as the betting medium. Cash betting is not permitted.
- 4.5 Any charge for admission to the social gaming occasion cannot include tickets for licensed lottery events, such as raffles, which must be sold separately.
- 4.6 The licensee shall post the betting limits, payoff odds and rules of play for each game conducted. The licensee shall also ensure that the age restriction for players is displayed.
- 4.7 Canadian currency only shall be accepted as payment for the purchase of chips. Chips shall be redeemed for Canadian currency or used in an auction for merchandise prizes.
- 4.8 The licensee shall ensure that no person is extended

credit of any kind for gaming activities. Debit cards, credit cards or government, employer or personal cheques are prohibited.

- 4.9 The licensee shall not provide, nor allow any person to provide, incentives, including coupons, to patrons attending licensed Social Gaming Events. The licensee shall not offer nor allow to be offered for free or below fair market value, food, beverages (alcohol or otherwise) or accommodation as an inducement to play or attend the event.
- 4.10 The licensee may exclude players from participating in the games of chance or deny entry to any player at their discretion.

(5) ADVERTISING

- 5.1 The licensee shall be responsible for the design, placement and payment of any advertisements.
- 5.2 Advertisements shall clearly and prominently state the name of the licensee and the licence number issued.
- 5.3 The licensee shall supply samples of advertising and promotional materials to be used in connection with the Social Gaming Event if requested to do so, for approval by the licensing authority.
- 5.4 Advertisements may state the type of games to be offered at the Social Gaming Event but may not use the term 'Casino' to describe the event.

(6) PROCEEDS AND EXPENSES

- 6.1 The net proceeds derived from the conduct of the Social Gaming Event shall be held in trust and used for the charitable or religious objects or purposes in Ontario as approved by the licensing authority in the application for licence.
- 6.2 When calculating the net receipts derived from the Social Gaming Event, the licensee shall include all proceeds related to the conduct of the games of chance played at the event.
- 6.3 All wagers won by patrons and the total expenses incurred as a result of conducting the Social Gaming Event shall be deducted and paid out from the gross receipts derived from the Social Gaming Event. The licensee shall not use the monies from any other source to pay for

expenses, except for first time start up costs as provided for in the licensing policies, or loss situations. In loss situations, the licensee shall deposit an amount equal to the loss amount into the Social Gaming Event trust account from which all expenses will be paid by cheques. The funds deposited must be repaid by cheque from the Social Gaming Event trust account upon completion of future Social Gaming Events.

6.4 The licensing authority may limit the amount which may be paid for expenses.

6.5 Expenses shall be reasonable in nature and directly related to the conduct and management of the Social Gaming Event.

6.6 Each expense shall be individually calculated and paid by cheque, drawn on the designated lottery trust account described in Section 8. The licensee shall pay separately each supplier registered under the **Gaming Control Act, 1992**.

6.7 Bona fide members and volunteers, as described in paragraph 2.1, shall not be remunerated for participating in the conduct and management of the Social Gaming Event.

(7) BOOKS AND RECORDS

7.1 The licensee shall obtain invoices or receipts for each expense or cost incurred.

7.2 The licensee shall maintain detailed records of all gaming transactions and all proceeds derived from the conduct and management of the Social Gaming Event and all disbursements.

7.3 The licensee shall maintain books, records and other documents in support of all financial reports or statements. These records and documents shall be kept up to date and be retained for no less than four (4) years from the date of the Social Gaming Event.

7.4 The licensee shall:

- 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 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 and such other materials as required by a licensing authority for audit and investigation purposes.

(8) BANKING AND FINANCIAL

8.1 The licensee shall:

- a) hold all proceeds from the conduct and management of lottery schemes in trust; and

- b) open and maintain a separate designated lottery trust account to administer these proceeds. The licensee shall have the option of:

- i) opening and maintaining one designated lottery trust account to administer the proceeds and monies; or,

- ii) opening and maintaining separate designated lottery trust accounts for each type of lottery scheme conducted and managed by the licensee.

8.2 Each designated lottery trust account shall be maintained in the name of the licensee, in trust and shall have the following features:

- a) cheque writing privileges and monthly statements issued;

- b) all cheques returned with monthly statement.

8.3 Any interest accrued on the lottery trust account or Goods and Services Tax rebate shall be used for the charitable purposes of the licensee.

8.4 In administering the lottery trust account, the licensee shall:

- a) appoint a minimum of two (2) signing officers, 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 any and all lottery events. Monies shall be deposited by deposit slip only and as soon as it is practical to do so;
- 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, or the distribution of net proceeds for the charitable purposes approved on the application for licence.

8.5 The licensee shall not:

- a) except for the situation described in paragraph 6.3:
 - i) where only one 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,
 - ii) where a separate designated trust account for Social Gaming Events has been established, deposit monies received from any other source, including a separately licensed raffle event in the Social Gaming Event trust account;
- b) transfer or move funds by any means from the designated lottery trust account into an operating or general account of the licensee;
- c) close the designated lottery trust account until all monies have been disbursed to approved charitable purposes and a report has been submitted to the licensing authority.

8.6 Where only one (1) designated lottery trust account is maintained for proceeds from more than one (1) type of lottery event, the licensee shall 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.

(9) REPORTING REQUIREMENTS

9.1 The licensee shall provide the licensing authority with a financial report outlining the results of the Social Gaming Event on the prescribed form. Copies of all deposit slips related to the event, verified (stamped) by the bank, and, where the licensee uses the services of a registered gaming supplier, a detailed calculation of the event win or loss shall accompany the financial report.

9.2 The financial report shall be filed within 30 days of the date of the event. The licensee shall provide additional information or documents requested by the Registrar, including invoices or receipts for each cost or expense incurred.

9.3 The licensee shall 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 9.4. The financial statements shall 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 the fiscal year. 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 gross proceeds, 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 9.4.

9.4 A licensee that receives:

- a) less than \$50,000 in net lottery proceeds derived from all lottery schemes shall:
 - i) provide financial statements that are prepared consistent with the recommendations of

- the **Canadian Institute of Chartered Accountants (CICA) Handbook** and verified by the licensee's board of directors; and
- ii) provide a compliance report with respect to the licensee's compliance with the terms and conditions of each licence verified by the licensee's board of directors, where required to do so by a licensing authority;
- b) \$50,000 or more in net lottery proceeds shall, where it is not otherwise required by law to obtain audited financial statements:
- i) provide financial statements which have been reviewed by a public accountant in accordance with section 8100 (General Review Standards) and 8200 (Reviews of Financial Statements) of the **CICA Handbook**; and
 - ii) provide a Compliance Report prepared by a public accountant in accordance with section 8600 (Review Engagement Report) of the **CICA Handbook** with respect to the licensee's compliance with the terms and conditions of each licence;
- c) \$50,000 or more in net lottery proceeds shall, where it is otherwise required by law to obtain or does obtain audited financial statements:
- i) provide audited financial statements prepared by a public accountant; and
 - ii) provide a Compliance Report prepared by a public accountant in accordance with section 5818 (Auditor's Report on Compliance with Agreements, Statutes and Regulations) of the **CICA Handbook** with respect to the licensee's compliance with the terms and conditions of each licence.

9.5 The licensee shall 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.

9.6 The licensee may use lottery proceeds to pay the expenses of the financial statements and reports required by paragraph 9.4 or, with the approval of a licensing authority, by paragraph 9.5. This expense shall not be included in any expense maximum within these terms and conditions.

SOCIAL GAMING EVENT
BLACKJACK - Rules of Play

1. All games shall be played with chips. Chips shall be used for events where merchandise prizes, through a sale or auction, are to be awarded.
2. Four (4) decks of cards will be used exclusively at each table with all players' cards dealt face up.
3. The minimum bet is one dollar (\$1).
4. The maximum bet is five dollars (\$5).
5. Bets must be placed before receiving any cards.
6. The Dealer must draw on 16 and stand on any count of 17 or more.
7. Aces count as one (1) or 11.
8. Blackjack (first two (2) cards totalling 21) automatically pays two (2) to one (1).
9. Pairs may be split providing that equal bets are placed on each hand. Blackjack obtained on a split pair pays even money. When aces are split, only one (1) card may be drawn to each ace.
10. Except when a player has Blackjack, the House wins on ties.
11. Five (5) cards under 21 counts the value of the cards only and does not beat any hand which has a higher point value under 21.
12. Players may double down on any two (2) card count of nine (9), 10, or 11 and take only one (1) additional card face up.
13. Insurance bets are not allowed.
14. Bets for the Dealer are not allowed.

**SOCIAL GAMING EVENT
WHEEL OF FORTUNE - Rules of Play**

1. The minimum bet is one dollar (\$1).
2. The maximum bet is five dollars (\$5).
3. The maximum payoff odds cannot exceed a ratio of eight (8) to one (1).
4. All bets must be placed before the spin of the wheel.
5. The operator must announce the cutoff of bets before spinning the wheel.
6. The wheel must complete a minimum of three (3) full revolutions to count as a spin.