



June 25, 2003

Log # 220884

To: All Quilters Guilds in British Columbia

I am writing further to my letters of April 25, 2003 and June 16, 2003, to outline and confirm an additional way quilting groups can generate gaming funds through a ticket raffle, and use those funds directly to produce quilts for the community. The Province has been working with guilds to determine ways this can be done in a manner consistent with Canada's Criminal Code.

Any organization meeting the requirements outlined in the Guidelines for Applying for a Class A or Class B Gaming Event Licence can be issued a gaming event licence and retain the net proceeds from the licence for its programs and services. Such an organization must operate primarily for charitable or religious purposes. Guilds' primary purposes do not meet those eligibility criteria.

Many guilds already donate all net proceeds from raffles to eligible community organizations, which meets the requirements.

Some guilds prefer not to take this approach and wish to use the net proceeds from the raffle to make quilts to donate to the comfort of patients, or others, in the community.

In this case, guilds may establish a new, separate organization. If the primary purpose of that organization is to produce and donate quilts for the comfort of patients, or others, in the community, the guild may donate all net proceeds to that organization for that purpose. None of the net proceeds may be directed to any guild activities.

Alternatively, the new organization could apply for and receive the raffle licence.

The new organization would have to be a distinctly separate organization, with its own board of directors. Its operations must be consistent with the Guidelines for Applying for a Class A or Class B Gaming Event Licence.

Attached is summary of the acceptable approaches available to quilting groups regarding raffles, and how proceeds may be used. Please contact me at 250 387-1301 if you require additional information.

Sincerely,

Derek Sturko
General Manager

Attachment

**Ministry of
Public Safety and
Solicitor General**

Gaming Policy and
Enforcement Branch

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If a Quilting Guild is the Raffle Licensee

Prizes	<p>The quilting guild <u>may</u>:</p> <ul style="list-style-type: none"> • Retain the actual or fair market value of the prize(s) it produces. These funds can be used at the discretion of the guild.
Expenses	<p>The quilting guild <u>may</u>:</p> <ul style="list-style-type: none"> • Retain legitimate and real expenses directly related to putting on the raffle. These funds can be used at the discretion of the guild. <p>Expenses cannot exceed 20% of actual gross revenue.</p>
Net Gaming Proceeds	<p>The quilting guild <u>must</u>:</p> <ul style="list-style-type: none"> • Donate all net proceeds to one or more eligible community organizations, which may include an eligible organization affiliated with the guild. <p>The receiving organization <u>must</u> use the proceeds for its eligible purposes. This may include:</p> <ul style="list-style-type: none"> • Purchasing and donating quilts for the comfort of patients and others in their community; and/or • Producing quilts for the comfort of patients and others in their community.

If an Eligible Organization, including an Organization Affiliated with a Quilting Guild, is the Raffle Licensee

Prizes	<p>The licensee <u>may</u>:</p> <ul style="list-style-type: none"> • Reimburse a quilting guild for the fair market value of any prize(s) the guild produces. These funds can be used at the discretion of the guild.
Expenses	<p>The licensee <u>may</u>:</p> <ul style="list-style-type: none"> • Retain legitimate and real expenses directly related to putting on the raffle; and/or • Reimburse a quilting guild for any of the guild's costs directly related to putting on the raffle. These funds can be used at the discretion of the guild. <p>Expenses cannot exceed 20% of actual gross revenue.</p>
Net Gaming Proceeds	<p>The licensee <u>must</u> use the proceeds for its eligible purposes. This may include:</p> <ul style="list-style-type: none"> • Purchasing and donating quilts for the comfort of patients and others in their community; and/or • Producing quilts for the comfort of patients and others in their community. <p>If any net proceeds are paid to a guild for its quilts, such funds can be used at the discretion of the guild.</p>