



Gaming Policy and Enforcement Branch

GUIDELINES

Applying for a Class A or Class B Gaming Event Licence

May 2016

TABLE OF CONTENTS

1. Introduction	1
2. Roles and Responsibilities	1
2.1. What is the role of the Gaming Policy and Enforcement Branch?	1
2.2. What is the role of the gaming event licensee?	1
2.3. What is the role of a gaming services provider?	2
3. Gaming Event Licences	2
3.1. Are there different types of gaming event licences?	2
3.2. What types of gaming events can be conducted under a class A or B gaming event licence?	2
3.3. For what length of time is a gaming event licence valid?	2
3.4. Can more than one gaming event be conducted under a single licence?	3
3.5. How many gaming events can be conducted in a 12-month period?	3
3.6. Can minors participate in a gaming event, such as buying or selling raffle tickets?	3
3.7. Where can a gaming event be held?	4
3.8. Can a gaming event be conducted where liquor is sold or consumed?	4
3.9. Can a gaming event licence be cancelled, amended or transferred by the licensee?	4
3.10. Can the Gaming Policy and Enforcement Branch refuse to issue a gaming event licence, or suspend or cancel a gaming event licence?	4
4. Revenue from a Gaming Event	4
4.1. What is gross revenue?	4
4.2. How can gross revenue from a gaming event be expended?	4
5. Prizes	4
5.1. What prizes can be offered for winners of a licensed gaming event?	4
5.2. Must all prizes be awarded or all winnings paid?	5
5.3. Must prizes be identified or secured before a gaming event licence is issued?	5
5.4. Prize costs	5
6. Expenses	5
6.1. What are the eligible expenses related to a gaming event?	5
6.2. What if expenses exceed the maximum allowed percentage of gross revenue?	6
7. Net Gaming Proceeds	7
7.1. How can net gaming proceeds from a gaming event be used?	7
7.2. How can Parent Advisory Councils or parent groups at eligible independent schools (PACs) use net gaming proceeds?	8
7.3. Can net gaming proceeds be used for disaster or emergency relief outside of British Columbia?	8
7.4. Is there anything for which net gaming proceeds cannot be used?	9
7.5. How soon must gaming proceeds be disbursed?	9
8. Organization Eligibility for a Gaming Event Licence	9
8.1. What types of organizations are eligible for a gaming event licence?	9
8.2. What makes an organization eligible for a gaming event licence?	10
8.3. What if an organization has a restricted membership or does not have a board democratically selected from within its volunteer base?	10
8.4. Does an organization have to be federally or provincially incorporated?	10
8.5. Can each level of an organization with provincial, regional and community associations get a gaming event licence?	10
8.6. If an organization has a gaming event licence, can it also receive a gaming grant?	11
8.7. What types of organizations are ineligible for a gaming event licence?	11
8.8. Can a service club get a gaming event licence?	11
8.9. Can a community fundraising group, such as a hobby or employee group, get a gaming event licence?	11
8.10. Can a foundation get a gaming event licence?	12
9. Applying for a Gaming Event Licence	12
9.1. How does an organization apply for a gaming event licence?	12
9.2. Can organizations have more than one gaming event licence?	13
9.3. Can two or more organizations share a gaming event licence?	13
10. Registration Requirements	13
10.1. Are there any registration requirements for gaming event licensees?	13
10.2. Can a licensee contract with a company to assist with the conduct or marketing of its licensed gaming event?	13
11. Advertising and Marketing, and Responsible Gambling Requirements	14
12. Financial Accountability	14

13. Reconsideration of a Decision Regarding an Application	15
14. Contact Information	16
Appendix A – Advertising and Marketing Standards for Gambling in British Columbia	17

SEPTEMBER 2015 AMENDMENT

CLARIFICATIONS

Appendix A	<ul style="list-style-type: none"> The <i>Advertising and Marketing Standards for the B.C. Gambling Industry</i> has been updated to the <i>Advertising and Marketing Standards for Gambling in British Columbia</i>.
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FEBRUARY 2012 AMENDMENTS

REDUCED REQUIREMENTS

Sections: Various	<ul style="list-style-type: none"> SPECIAL NOTE: Under a pilot project ending February 28, 2013, sales periods for percentage draws, including 50/50 draws, may be as long as six months. Prior to the pilot project, ticket sales and the awarding of prizes were required to take place in one day. Specific details provided below.
Section 3.3	<ul style="list-style-type: none"> The maximum sales period for a ticket raffle has been changed from four months to six months.
Sections 3.4	<ul style="list-style-type: none"> Tickets for 50/50 and other percentage draws are permitted to be sold during a period of up to six months. The previous limit was one day.
Section 12	<ul style="list-style-type: none"> The Gaming Event Revenue Report must be submitted within 90 days after the expiry of each gaming event licence. The previous requirement was 60 days.
Section 3.4	<ul style="list-style-type: none"> A series of 50/50 draws may be approved under a single licence.

CLARIFICATIONS

Section 2.2	<ul style="list-style-type: none"> Reporting known or suspected criminal activity: requirements clarified.
Section 3.2 and 5.2	<ul style="list-style-type: none"> Clarification re: percentage and 50/50 draws.
Section 5.3	<ul style="list-style-type: none"> Requirements regarding securing prizes for percentage-based gaming events.

MAY 2010 AMENDMENTS

REVISIONS

Section 3.1	<ul style="list-style-type: none"> Class C and D licences described.
Section 3.5	<ul style="list-style-type: none"> A venue cannot host more than one licensed poker event per week.
Contact Information	<ul style="list-style-type: none"> Address of Lower Mainland Regional Office changed to 220 – 4370 Dominion Street, Burnaby BC V5G 5L7

CLARIFICATIONS

Section 7.1	<ul style="list-style-type: none"> Scholarships and bursaries must be disbursed directly to the individual receiving the award or to a conduit organization approved by the branch, which must then transfer the funds to the individual.
Sections 8.1 and 8.9	<ul style="list-style-type: none"> Hobby and employee groups may be eligible for a Class B licence.
Section 8.1	<ul style="list-style-type: none"> Service clubs are included in the Human and Social Services sector.
Section 8.8	<ul style="list-style-type: none"> Language clarified re: service clubs and gaming event licences.
Throughout document	<ul style="list-style-type: none"> Other clarifications, as appropriate.

ADDED REQUIREMENTS

Section 12	<ul style="list-style-type: none">• All gaming event licencees must submit a Gaming Event Revenue Report within 60 days after the expiry of the licence.
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JANUARY 7, 2008 AMENDMENTS**REDUCED REQUIREMENTS**

Sections 6.1 and 6.3	<ul style="list-style-type: none">▪ Expense limit removed for registered ticket raffles. However, if a licensee operates two successive registered ticket raffles that lose money, the branch will not issue a registered raffle licence to that licensee for a period of at least one year from the licence date of the second failed raffle. The ban will apply whether a licensee operates independently or with a partner(s).
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1. INTRODUCTION

This document describes the process by which an eligible organization may acquire a licence to conduct and manage a gaming event in British Columbia.

Generally, for an activity to be considered gaming, the following three elements must be present:

- 'Consideration' usually means players must pay or exchange something of value to be eligible to participate;
- 'Prize' includes money or anything of value; and
- 'Chance' means the outcome is not pre-determined or determined solely by skill.

Gaming events conducted in British Columbia must be licensed by the Gaming Policy and Enforcement Branch (the branch), which licenses eligible community organizations to conduct and manage gaming events in accordance with Section 207(1)(b) of the Criminal Code of Canada.

To conduct a gaming event without a licence is unlawful.

Please see section 8 of this document for information regarding eligibility of organizations.

2. ROLES AND RESPONSIBILITIES

2.1. What is the role of the Gaming Policy and Enforcement Branch?

The branch regulates gaming in British Columbia and ensures the integrity and lawful conduct and management of gaming in the province.

This includes issuing gaming event licences to eligible organizations and ensuring licensees comply with the Criminal Code, British Columbia's Gaming Control Act (the Act) and Gaming Control Regulation, the branch's public interest standards where applicable, and the conditions of their licence.

The Assistant Deputy Minister and General Manager, hereafter referred to as the General Manager, is the head of the branch and responsible, under the direction of the Minister, for the administration of the Act.

2.2. What is the role of the gaming event licensee?

To comply with the Criminal Code, the Act places responsibility on the licensee for the proper conduct and management of gaming events for which they are licensed. The licensee is responsible for understanding how the Act, regulations and conditions of their licence affect the operation of their gaming event.

Licensees must comply with:

- Criminal Code of Canada;
- British Columbia's Gaming Control Act and Gaming Control Regulation;
- All other applicable federal, provincial and municipal laws; and
- Relevant conditions, standard procedures, policies, procedures and orders issued by the branch.

Under the conditions of a gaming event licence, a licensee must:

- Ensure the gaming event is conducted in accordance with the event's Standard Procedures;
- Disburse net gaming proceeds appropriately; and
- Be accountable for its gaming proceeds.

While the Board of the licensee is responsible for the conduct and management of the gaming event, a licensee that could generate \$250,000 or more in gross revenue through its gaming event licence must also ensure:

- The person responsible for running the gaming event and the person responsible for gaming event finances are separate individuals; and
- Both of these individuals are registered with the branch.

The branch may also determine, upon review of an application, that other key individuals involved in the conduct and management of the gaming event need to be registered.

Section 86(2) of the Gaming Control Act (GCA) requires all licensees to notify GPEB's Investigations and Regional Operations division without delay regarding any conduct, activity or incident that may be considered contrary to the Criminal Code of Canada, the Gaming Control Act or Gaming Control Regulations, or that may affect the integrity of gaming.

Failure to meet these requirements may result in suspension or revocation of a gaming event licence, refusal of future gaming event licences and/or denial of future access to gaming grants or funds.

2.3. What is the role of a gaming services provider?

Your organization may contract marketing and/or management services to assist with its gaming event, as long as the contractor is registered with the branch as a gaming services provider. Refer to section 10.2 for additional information about contracting gaming services providers.

3. GAMING EVENT LICENCES

3.1. Are there different types of gaming event licences?

The types of gaming event licences that may be issued to eligible organizations are:

- **Class A licence**, for a gaming event or series of gaming events that will generate more than \$20,000 in gross revenue;
- **Class B licence**, for a gaming event or series of gaming events that will generate \$20,000 or less in gross revenue;
- **Class C licence**, for a gaming event or series of gaming events that are held in conjunction with an approved fair or exhibition. See the "Guidelines: Applying for a Class C Gaming Event License for a Fair or Exhibition;" and
- **Class D licenses**, for a gaming event or series of gaming events that will generate \$5000 or less in gross revenue. See the "Guidelines and Conditions: Applying for a Class D Gaming Event License."

3.2. What types of gaming events can be conducted under a class A or B gaming event licence?

Class A and B gaming event licences permit a licensee to conduct one of four types of gaming events:

- **Ticket raffles** include regular raffles, percentage draws (for example, 50/50 draws), meat draws, sports pools, sports player drafts, calendar raffles, cow pie bingos, rubber duck races, poker rides, cake walks, or other such schemes;
- **Independent bingos** are conducted and managed by the licensee, usually on their own premises;
- **Wheels of Fortune** are gaming events operated by the licensee at an approved community event;
- **Social occasion casinos** are small casino-type events conducted and managed in conjunction with a social event (such as a dinner, dance or benefit) with attendance restricted to members of the gaming event licensee and their guests; and
- **Poker tournaments** are small-scale no-limit Texas Hold'em tournaments conducted and managed by the licensee at an approved location (available under a Class B license only).

A licensee must have a separate licence for each type of gaming event it conducts. Before applying for a gaming event licence, an applicant must review the Standard Procedures for the applicable event to become familiar with the rules that must be followed.

3.3. For what length of time is a gaming event licence valid?

A licence may be issued for a period of up to 12 months for a series of similar gaming events.

For all ticket raffles, tickets must be sold and all draws conducted within a six-month period. Multiple ticket raffles may be authorized under a single licence, although ticket sales and draws for all the raffles must be completed within a 12-month period.

3.4. Can more than one gaming event be conducted under a single licence?

For Class A and B gaming event licences, a single licence may be issued authorizing multiple events, or a series of events over a period of time not exceeding 12 months, as long as the organization identifies the location of each event and the events are similar (for example, they are all meat draws, or they are all bingos).

For a series of ticket raffles, each of which has a selling period of more than a day, a single licence may be approved if:

- Each raffle is of the same type and has similar selling periods, which cannot exceed six months;
- The ticket price for each raffle does not vary by more than \$10. Where ticket prices vary by more than \$10, additional licences may be required; and
- The number of tickets for sale for each raffle is similar.

For multiple ticket raffles where the number of tickets for sale will vary, a one-day licence may also be approved if:

- All ticket sales and draws take place on days listed in the licence application;
- The raffles are of the same type; and
- The ticket price for each raffle does not vary by more than \$10. Where ticket prices vary by more than \$10, additional licences may be required.

3.5. How many gaming events can be conducted in a 12-month period?

For Class A ticket raffles, there is no limit on the number that may be conducted, nor on the total anticipated gross revenues in a 12-month period. However, the total anticipated gross revenues in a 12-month period must be stated in the licence application.

For independent bingo under a Class A licence, an organization is permitted to conduct a maximum of 104 independent bingo events in a 12-month period. (Participation in BC Lottery Corporation's electronic/linked bingo, currently known as Ka-Chingo, requires a Class A gaming event licence.)

For ticket raffles and independent bingo under a Class B licence, there is no limit on the number of events that may be conducted. However, for each licence there is a limit of \$20,000 in total anticipated gross revenues. Any organization that accumulates more than \$20,000 in gaming revenues in a 12-month period is subject to the same reporting requirements as Class A licensees. Such organizations may be encouraged to apply for a Class A licence.

For Class B poker licenses, there is a limit of 52 events within a 12-month period. Gross revenue for each event cannot exceed \$10,000, and gross revenue in a 12-month period cannot exceed \$20,000. A venue cannot host more than one licensed poker event per week.

For wheel of fortune events, there is a limit of 52 within a 12-month period.

For social occasion casinos, there is a limit of 12 within a 12-month period.

3.6. Can minors participate in a gaming event, such as buying or selling raffle tickets?

Generally, a licensee must not allow minors to:

- Participate as a player or worker; or
- Be present at a gaming event.

Minors may be able to buy or sell raffle tickets under a Class B gaming event licence, or may be permitted to attend (but not play) independent bingo events, under certain conditions specified in the Gaming Control Regulation and as outlined in the Standard Procedures applicable to the gaming event. The Regulation and Standard Procedures are available on the branch's website.

3.7. Where can a gaming event be held?

Each type of gaming event has different requirements regarding the type of facility required, outlined in the applicable Standard Procedures. Applicants must indicate where their event will be held and the branch will ensure the planned location is appropriate before it issues a licence.

3.8. Can a gaming event be conducted where liquor is sold or consumed?

Yes, some gaming events may be conducted in an establishment licensed by the Liquor Control and Licensing Branch. In such instances, there are obligations that must be met by the liquor licensee. Please refer to www.pssg.gov.bc.ca/lclb/ for additional information.

3.9. Can a gaming event licence be cancelled, amended or transferred by the licensee?

Cancellation of, or amendments to, a gaming event licence will be considered if the gaming event has not commenced. Once a gaming event has commenced, an amendment cannot be considered. Cancellation of, or amendments to, a ticket raffle licence will only be considered for draws where ticket sales have not commenced.

To cancel or amend its licence, a licensee must submit a written request to the branch. The request must be signed by two signing authorities, one of which must be an officer of the organization.

A gaming event licence may not be transferred, assigned, lent or borrowed.

3.10. Can the Gaming Policy and Enforcement Branch refuse to issue a gaming event licence, or suspend or cancel a gaming event licence?

Yes, the branch may refuse to issue a gaming event licence or may cancel, suspend for a period of time, impose new conditions on, or vary existing conditions of, a licence.

The branch may also issue a warning to a licensee or impose an administrative fine within prescribed limits.

Applications for a gaming event licence or Community Gaming Grant likely will not be considered when an organization previously has had a licence suspended or cancelled by the branch.

4. REVENUE FROM A GAMING EVENT

4.1. What is gross revenue?

Gross revenue is all monies generated through a gaming event, including total sales and interest income. Gross revenue minus prize costs and other expenses equals *net* revenue.

4.2. How can gross revenue from a gaming event be expended?

Gross revenue may be used only for:

- A reasonable cost for prizes for the gaming event;
- Legitimate event-related expenses; and
- Eligible community programs and services (net gaming proceeds).

5. PRIZES

5.1. What prizes can be offered for winners of a licensed gaming event?

For all licensed gaming events except poker:

- The licensee determines the value of the prizes it will offer to players participating in its gaming event.
- There is no minimum or maximum value required for prizes, which may be cash or merchandise.

For licensed poker events, prizes (which may be in cash or merchandise) cannot exceed \$1,000 in value per player and cannot exceed a total of \$2,000 in value per event.

Donated prizes are permissible and must be advertised at fair market value. An independent third party appraisal may be required if the prize is handcrafted, a collectible or an antique prize purchased by or donated to the applicant.

Cash alternatives are acceptable as prizes. Cash alternatives must equal the stated market value of the prize or the amount must be fully disclosed at the time of the application.

Liquor, live animals and prohibited or restricted firearms as defined in the Firearms Act (Canada), cannot be offered as prizes.

5.2. Must all prizes be awarded or all winnings paid?

Yes, the licensee must award all prizes and pay all winnings to the players in connection with the conduct and management of licensed gaming events.

Prizes and winnings must be distributed to players at each bingo (other than progressive and promotional prizes), social occasion casino, poker or wheel of fortune event.

For ticket raffles, prizes must be distributed to the winning ticket holders as soon as practicable after the date of a ticket raffle draw. For single-day raffles the draw must take place and the prize awarded at that day's gaming event.

5.3. Must prizes be identified or secured before a gaming event licence is issued?

A list of prizes and prize values for the gaming event must be provided with an application for a gaming licence. Applicants must also ensure prizes are secured and available for awarding prior to a license being issued (Class A applicants) or at the time of application (Class B applicants)

If the total fair market value of all prizes is \$10,000 or more:

- A list of all prizes must be provided, detailing the fair market value of each prize and the cost to the applicant for each prize;
- Applicants must prove they own the prizes. Or, if not owned by the applicant, the prizes must be secured by an irrevocable letter of credit or bank guarantee for the full value of the prizes. Gaming funds may not be used for this purpose;
- Prize homes must be completed and ready to award prior to a license being issued;
- Funds in an organization's gaming account cannot be used to secure prizes; and
- An independent third party appraisal may be required for any prize that is handcrafted, a collectible or an antique prize purchased by or donated to the applicant.

For percentage-based gaming events, which include, for example, ticket raffles and bingos, prizes are paid from the gross revenue generated at the event and do not need to be secured beforehand, unless the potential maximum prize value is \$5,000.00 or more.

If the potential maximum prize value is \$5,000 or more:

- The potential maximum prize must be secured by an irrevocable letter of credit or bank guarantee. Gaming funds may not be used for this purpose;

5.4. Prize costs

Prize costs are deducted from the gross revenue generated at a gaming event, but are not considered an expense of that event.

Prize costs consist of:

- The fair market value of the prize, including taxes;
- Costs incurred to deliver the prize to the licensee; and
- Costs related to security of prizes and ultimate distribution to winners.

Recoveries of applicable taxes on prizes may be deducted from prize costs.

6. EXPENSES

6.1. What are the eligible expenses related to a gaming event?

Actual and reasonable expenses directly related to the conduct and management of a gaming event must be paid from your organization's gaming account.

Receipts documenting each expense must be retained as part of the gaming records for the gaming event.

Registered raffles (anticipated gross revenue of \$250,000 or more): There is no limit on the amount paid for expenses. However, if a licensee operates two successive registered ticket raffles that lose money, the branch will not issue a registered raffle licence to that licensee for a period of at least one year from the licence date of the second failed raffle.

The ban will apply whether a licensee operates independently or with a partner(s).

All raffles other than registered raffles (anticipated gross revenue less than \$250,000): Expenses must not exceed 25 per cent of the actual gross revenue of the ticket raffle. Prize costs are not included in the 25 per cent maximum expense calculation.

Independent bingos and poker events: Expenses must not exceed 25 per cent of the actual gross revenue generated by the event. Prize costs are not included in the 25 per cent maximum expense calculation.

Social occasion casinos and wheel of fortune events: Expenses must not exceed 40 per cent of the win.

As appropriate, permitted expenses for all licensed gaming events include, but are not limited to:

- Advertising and promotion costs related to the event;
- Wages and salaries of staff conducting the event;
- Bingo paper, staffing and associated costs of the event;
- Cards, chips, table rentals and advertising costs attributable to the poker event;
- Ticket and other printing costs attributable to the event;
- Postage/mailing costs directly related to the event;
- Rent for venue(s) used for your event;
- Contract fees for gaming services providers or accounting firms attributable to the event;
- Processing fee for gaming event licence;
- Costs related to prizes, such as transporting the prizes to ticket selling venues, repair and maintenance of the prize, or insurance for the prize;
- For Class A licensees, fees or commissions paid to ticket sellers, which cannot exceed 10 per cent of the price of each ticket sold; and
- Volunteer out-of-pocket expenses. Volunteers may be reimbursed for out-of-pocket expenses related to the gaming event but cannot be paid remuneration for their time committed to the gaming event. The licensee must retain receipts for volunteer out-of-pocket expenses with its gaming records.

No costs, including taxes, may be charged to the winner(s) or claimed as an expense for the transfer of property or title into the winner's name. All taxes are included in the cost of prizes.

6.2. What if expenses exceed the maximum allowed percentage of gross revenue?

An application will be returned to an applicant if planned expenses exceed the maximum allowed percentage of gross revenue.

A licensee that, under its previous licence, exceeded the maximum allowed percentage of gross revenue will not be considered for a subsequent licence until the licensee explains in writing why the maximum was exceeded and presents a written plan showing how the percentage requirement will be met in future. The new licence application may or may not be approved.

A second failure to meet the percentage requirement will result in the refusal of a future gaming event licence for at least 12 months.

7. NET GAMING PROCEEDS

7.1. How can net gaming proceeds from a gaming event be used?

Generally, net gaming proceeds must be used for eligible disbursements related to the direct delivery of programs and services within British Columbia.

Eligible disbursements include, but are not limited to:

- Operational costs, including, but not limited to, items such as wages, utilities, facility rental, supplies, etc.;
- Rental or purchase of equipment essential for the delivery of programs and services;
- Travel essential to the direct delivery of an eligible organization's programs. Out-of-province travel must be pre-approved by the branch and will be approved only in exceptional circumstances, such as:
 - representing the province as a result of merit achieved through organized competition
 - regional amateur competition in a recognized league that involves cross border travel, or
 - medical treatment that is unavailable in the province;
- Membership fees in any BC organization that represents the licensee's interests;
- Capital acquisitions required for the delivery of an eligible organization's program and services, such as computers, furniture, or vehicles;
- Housing projects that benefit specific groups, including community housing for seniors, supportive housing for people with a disability, various stages of transition housing for both women and men, and emergency housing for crisis situations. Some conditions include:
 - The housing complex must be operated by the non-profit society that is fundraising through licensed gaming events;
 - The housing complex must not be turned over to the local health authority, CMHA or local government after it is built;
 - There must be a written plan to deliver programming suitable to the residents in the complex;
 - The organization must either own the land for the project or have property on a long term lease from an eligible organization, local government or public land (as is required for major capital project grants);
 - In the case of a new housing complex, there must be a design or plan in place to determine its gross costs, prior to a license being issued;
 - Any funds raised through licensed gaming events must be spent on the project within three years;
 - Net proceeds from a gaming event may not be used to support housing that benefits individuals or members, such as a co-op housing unit; and
 - Gaming grants, such as Community Gaming Grants, may not be used for housing initiatives; housing projects may receive gaming funds through licensed gaming only.
- Capital projects include construction of new facilities, renovation or maintenance of existing facilities, and property development.
 - Projects valued at \$20,000 or more are Major Capital Projects and require pre-approval by the branch. For approval, applicants must submit a **Request for Major Capital Project Approval** form.
 - Projects with a value of less than \$20,000 do not require approval;
 - Scholarships (for post-secondary education, on the basis of academic merit) and bursaries (for post-secondary education, on the basis of financial need) are eligible where the scholarship/bursary program is offered by an eligible organization whose Board determines the selection criteria and award procedure. The organization must pay the scholarship/bursary directly to the award recipient or transfer the award to the recipient through a conduit organization that acts according to the donor's criteria.

(Conduit organizations may administer a scholarship/bursary program(s) on behalf of one or more donor organizations, but in any case conduit organizations must be approved by the branch. Organizations seeking approval must have a valid gaming account and must

- write to the branch demonstrating their organization's eligibility per section 8 below and detailing the process by which they propose to administer and disburse the gaming funds according to the donor's criteria. If a conduit organization administers the scholarship/bursary program, the program must be open to post-secondary school applicants in the broader community, not just to members of the conduit organization); and
- Medical research grants where a grant agreement is in place and as part of the gaming records it can be demonstrated the gaming proceeds were only used for medical research within BC.

7.2. How can Parent Advisory Councils or parent groups at eligible independent schools (PACs) use net gaming proceeds?

For PACs, gaming proceeds must be used for disbursements within BC that directly benefit students by enhancing their extracurricular opportunities.

For PACs, eligible disbursements include, but are not limited to:

- Student publications: newsletters, yearbooks;
- Student competitions: writing, debating, chess, music;
- Student societies: drama club, student society;
- Student ceremonies: graduation, dry grad;
- Student conferences or educational field trips within BC;
- Uniforms and equipment for extracurricular activities;
- Sports equipment;
- Awards and trophies;
- Scholarships and bursaries;
- Student transportation and travel within BC;
- Student transportation and travel outside of BC, where the student group:
 - Is representing its school as a result of merit achieved through organized competition
 - Is competing in a sport that involves cross border travel
 - Has been selected because of its level of creative achievement or success, or
 - Is entered in a recognized competition in which there is a formal evaluation or adjudication process;
- Capital acquisitions directly benefiting students, such as playground equipment and student computers; and
- Capital projects directly benefiting students (not including school maintenance or construction).

All gaming proceeds must remain under the control and management of the PAC, whose membership is comprised of parents or guardians of students attending the school that receives them. Gaming proceeds cannot be used for, or transferred to, curricular purposes or to schools or school districts or any of their activities or programs.

7.3. Can net gaming proceeds be used for disaster or emergency relief outside of British Columbia?

Yes, in some instances, the General Manager may approve an organization's use of net gaming proceeds to assist with relief efforts for victims of disasters and emergencies that have occurred outside of British Columbia.

To be eligible to use net gaming proceeds for this purpose, an organization must:

- Meet eligibility requirements outlined in section 8.2;
- Have the provision of international disaster or emergency relief as one of its purposes;
- Be actively engaged in international relief efforts; and
- Maintain a clearly identifiable fund to which monies are contributed to assist with a specific disaster or emergency.

For each disaster or emergency that the eligible organization wishes to use net proceeds, the organization must:

- Ensure the disaster or emergency has been authorized by the General Manager to receive proceeds from licensed gaming (by checking the branch website at: www.gaming.gov.bc.ca); and

- Maintain a gaming account into which net gaming proceeds or donations of net gaming proceeds are deposited. A gaming account cheque may then be written to the organization's fund for eventual disbursement towards the disaster or emergency relief effort.

Note: Service organizations (section 8.8) and community fundraising groups (section 8.9) may donate net gaming proceeds generated through their licensed gaming events to an organization meeting the above noted requirements.

7.4. Is there anything for which net gaming proceeds cannot be used?

Net gaming proceeds cannot be disbursed outside of the province without prior written approval from the branch.

Gaming proceeds cannot be used for:

- Costs not related to the direct delivery of an eligible organization's program and services;
- Travel that is social, recreational or invitational in nature or travel for Annual General Meetings, Board meetings, retreats, or conferences;
- Out-of-province or out-of-country aid, except as permitted in section 7.3;
- Past debt, loan or interest payments;
- Sustaining or endowment funds;
- Professional development of staff;
- Subsidizing the procurement of a contract or for subsidizing services for which the organization is contracted and/or funded;
- Subsidized housing programs; and
- Vocational training programs.

7.5. How soon must gaming proceeds be disbursed?

Gaming proceeds must be disbursed within 12 months of their receipt. If your organization cannot disburse its funds within the required timeline, it must request approval from the branch, in writing, to retain the funds for a longer period.

Licensees unable to disburse their gaming proceeds within the required timelines may make a one-time annual donation to an eligible organization in BC.

8. ORGANIZATION ELIGIBILITY FOR A GAMING EVENT LICENCE

8.1. What types of organizations are eligible for a gaming event licence?

The types of organizations that may be eligible for a gaming event licence are:

- Charitable or religious organizations;
- Service organizations (see section 8.8);
- Community fundraising groups, such as hobby or employee groups (Class B licensees only, see section 8.9); and
- Foundations (see section 8.10).

Any organization intending to use the net gaming proceeds for their own purposes must meet all eligibility criteria outlined in section 8.2.

For administrative purposes, licensees are categorized in one of the following sectors based on the types of programs they primarily deliver:

Arts, Culture and Sport

Programs that enhance performing arts, media arts, or visual arts, literature, heritage or culture in the community, and sports.

Environment

Programs that enhance British Columbia's environment or protect the welfare of animals and wildlife.

Human & Social Services

Programs that significantly contribute to the quality of life in a community, including assisting the disadvantaged or distressed, promoting health or enhancing opportunities for youth.

This category includes service clubs (see section 8.8)

Public Safety

Programs that enhance and support public safety initiatives, disaster relief and emergency preparedness within British Columbia.

Parent Advisory Councils (PACs)

Parent Advisory Councils at public schools and parent groups with independent schools (Type 1 or 2) on behalf and for the benefit of students at that school.

Community Fundraising Groups (see section 8.9).

8.2. What makes an organization eligible for a gaming event licence?

An organization may be eligible if it:

- Is operated on a not-for-profit basis and primarily for charitable or religious purposes;
- Delivers programs or provides services providing direct community benefit;
- Can demonstrate that it has provided programs or services for a minimum of 12 months prior to application;
- Has a voluntary and broadly based membership involved in the management and control of the organization and its programs. Generally, the voting membership of the organization must be more than double the number of Board members;
- Delivers programs or services established and maintained by its volunteers;
- Has board members that are democratically chosen by, and from within, its volunteer base;
- Has board members that do not receive remuneration or other financial benefit for their services as an executive member; and
- Meets the Province's standards for financial accountability.

Service organizations (section 8.8), community fundraising groups [such as hobby or employee groups (section 8.9)] and foundations (section 8.10), may also be eligible for a gaming event licence subject to specific conditions.

8.3. What if an organization has a restricted membership or does not have a board democratically selected from within its volunteer base?

Generally, an organization must meet these requirements.

If your organization does not meet either requirement, and can adequately demonstrate that a restricted membership or an appointed board is essential for it to effectively deliver its programs or provide its services, a gaming event licence might be issued at the discretion of the General Manager.

8.4. Does an organization have to be federally or provincially incorporated?

No. However, an organization that is provincially incorporated or registered as an extraprovincial society must be in good standing with the BC Registrar of Companies.

8.5. Can each level of an organization with provincial, regional and community associations get a gaming event licence?

Each level of an organization structured at the provincial, regional and community level may be eligible if:

- All eligibility criteria is met;
- It is a distinctly separate organization, defined by board membership, voting membership and organizational structure; and
- The net gaming proceeds will be used by the licensee for direct delivery of its own programs and services.

8.6. If an organization has a gaming event licence, can it also receive a gaming grant?

Yes, within certain limitations.

An organization will not be approved for a gaming grant if it received more than \$250,000 in the past 12 months through its own licensed gaming activities.

8.7. What types of organizations are ineligible for a gaming event licence?

An organization is ineligible if it:

- Is for-profit;
- Is a not-for-profit business or an ancillary group sustaining a for-profit business;
- Is a political party, political action group or lobby group;
- Is an agency of federal, provincial, regional, municipal, or other local government;
- Is a hospital, medical or health care facility;
- Is an educational institution or school;
- Is a penal institution or correction centre;
- Is a public or municipal library or provincial museum;
- Has objectives, programs, or expenditures that do not conform with all laws, regulations and the general public policies of the Province of British Columbia;
- Has programs that promote racial or ethnic superiority, religious intolerance, persecution or social change through unlawful action; or
- Has political, partisan or commercial activities as one of its primary purposes.

Organizations that provide services exclusively to their own membership may also be ineligible.

8.8. Can a service club get a gaming event licence?

Yes. Service clubs may apply for a gaming event licence to generate funds for donation to those community organizations that meet all eligibility criteria, outlined in section 8.2, for a gaming licence. Service clubs may also generate funds for donation to eligible scholarships and bursaries administered by approved conduit organizations (see section 7.1).

One-time donations are also permitted to an individual or family within the service organization's community where the donation will provide emergency assistance or relieve an exceptional condition or circumstance.

Service clubs:

- Are responsible for monitoring how gaming proceeds are disbursed by the donation recipient and required to report to the branch any instance where funds were used inappropriately;
- Must ensure a Major Capital Project is approved by the branch before gaming proceeds are donated towards the project. See section 7.1 for more information.
- May donate to an organization with which they are associated, as long as the recipient organization meets all eligibility criteria outlined in section 8.2, including a separate and democratically chosen board;
- May use gaming proceeds for their own programs where the branch has provided written approval for the program since August 19, 2002, when the Gaming Control Act was proclaimed.
- May retain up to 10 per cent of the net proceeds from their licensed gaming activities. Where the net licensed gaming proceeds are 25 per cent or more of gross revenue, the service organization may retain 15 per cent of the net proceeds; and
- Cannot receive gaming proceeds from, or donate gaming proceeds to, another service club or community fundraising group (see section 8.9).

8.9. Can a community fundraising group, such as a hobby or employee group, get a gaming event licence?

Generally, only groups that meet all criteria outlined in Section 8.2 of these guidelines are eligible for Class A or Class B licenses.

A community fundraising group is a group that may not be eligible but fundraises to assist an organization that is eligible. All funds raised by a community fundraising group must be donated to the eligible organization. Each application from a community fundraising group must have an accompanying letter from the eligible recipient organization that acknowledges the event, agrees to accept the proceeds and agrees to use them for eligible purposes.

It is important to note that a community fundraising group that does not meet the eligibility criteria (such as hobby or employee groups) may apply for a Class B ticket raffle only.

Only groups that meet all criteria outlined in Section 8.2 are eligible to apply for Bingo, Social Occasion Casino and/or Texas Hold-em Poker Event Licenses.

8.10. Can a foundation get a gaming event licence?

Yes, an organization such as a hospital or healthcare foundation or auxiliary, university or college foundation, or "Friends of" group may be eligible for a gaming event licence if it:

- Has fundraising for the institution(s) as one of its primary purposes;
- Is operated on a not-for-profit basis;
- Is governed by a Board of Directors whose members do not receive remuneration for their services on the board, and the majority of the board's members are not appointed by any other organization or level of government; and
- Meets the Province's financial accountability requirements.

All gaming proceeds must remain under the control and management of the licensee. Gaming proceeds may not be used by, or transferred to, a publicly funded institution.

Generally, net gaming proceeds may be used only to directly benefit the client group of the institution supported by the foundation. This includes, for example, equipment and patient comforts for a hospital, bursaries and/or scholarships for students at a post-secondary institution and speciality items for patrons of a library or museum.

Gaming funds may not be used to acquire items that a publicly funded institution is required to provide under statute.

9. APPLYING FOR A GAMING EVENT LICENCE

9.1. How does an organization apply for a gaming event licence?

You can apply online by selecting the "online service" link from the webpage www.gaming.gov.bc.ca. The same web page provides application forms that can be downloaded. Application forms also are available at any branch office or government agent office.

In some instances, additional information may be required before a licence can be issued. If approved, the licence will be mailed or emailed to the licensee.

Class A and Class B licence applicants may:

- Apply online at www.gaming.gov.bc.ca;
- Mail a completed application form and processing fee to the branch's Victoria office;
- Visit any branch office or government agent office to have their application submitted.

Class A gaming event licence

For a gaming event or series of gaming events that could generate more than \$20,000 in gross revenue, applicants must submit:

- A completed **Application for a Class A Gaming Event Licence**;
- All required documentation; and
- A non-refundable \$50 processing fee (NSF cheques are subject to a \$20 handling fee).

Completed applications for a Class A gaming event licence must be received by the branch's Victoria office at least 10 weeks before the licence is required.

Class B gaming event licence

For a gaming event or series of gaming events will likely generate \$20,000 or less in gross revenue, applicants must submit:

- A completed **Application for a Class B Gaming Event Licence**;
- All required documentation; and
- A non-refundable \$25 processing fee (NSF cheques are subject to a \$20 handling fee).

Class B licence applications require up to three days to process once the \$25 processing fee and a complete application are received by the branch's Victoria office. If additional information is required in order to assess the application, the processing time may take longer.

Request for Capital Project Approval

If an organization wishes to disburse gaming proceeds towards a capital project valued at \$20,000 or more, a **Request for Capital Project Approval** form must also be submitted with the application form.

9.2. Can organizations have more than one gaming event licence?

Yes. There is no limit to the number of gaming event licences an organization can have.

9.3. Can two or more organizations share a gaming event licence?

Partnerships between organizations may be considered if each partner is an eligible community organization that will use their net gaming proceeds for eligible purposes. Only one of the partner organizations will be issued the gaming event licence, and that organization retains full responsibility for the conduct and management of the gaming event.

10. REGISTRATION REQUIREMENTS

10.1. Are there any registration requirements for gaming event licensees?

Yes. A licensee that could generate more than \$250,000 in gross revenue through its gaming event licence must ensure at least two persons from their organizations are registered with the branch. The branch may also determine, upon review of an application, that other key individuals involved in the conduct and management of the gaming event need to be registered.

Licensees that retain individuals or companies to provide gaming event services must ensure the service providers are registered with the branch.

For some gaming events (e.g., independent bingo), licensees are required to ensure specified gaming goods and equipment (e.g., bingo paper) are approved by the branch. These requirements are specified in the applicable Standard Procedures.

More information is available online at www.gaming.gov.bc.ca/registration/.

10.2. Can a licensee contract with a company to assist with the conduct or marketing of its licensed gaming event?

Yes. Licensees may contract with a gaming services provider to assist with its licensed gaming event as long as the contractor is registered with the branch as a gaming services provider for that type of event. However, the licensee must manage and conduct the event.

Contracts with gaming services providers must not exceed 12 months in duration but may include an option to renew for an additional 12 months at the discretion of the licensee. The contract must state the total contract value and specify the fees for services and must be supported by a detailed business plan. All contracts associated with a gaming event, including service contracts, must be paid out of the licensee's gaming account. The applicant for the gaming event licence must attach a copy of the service agreement, including the gaming services provider's name and address.

11. ADVERTISING AND MARKETING, AND RESPONSIBLE GAMBLING REQUIREMENTS

To ensure gambling is represented in a responsible manner in all advertising and marketing, all licensees must comply with the Advertising and Marketing Standards for the BC Gambling Industry and as specified in the Standard Procedures applicable to the gaming event.

Licensees must meet all advertising and marketing standards, which include ensuring promotional materials:

- Contain a responsible gambling message, where required;
- Do not use minors to promote gambling;
- Are not directed primarily to minors; and
- Factually report the chances or odds of winning, where required.

All materials must also include the gaming event licence number, as outlined in the Standard Procedures applicable to the gaming event (e.g., BC Gaming Event Licence #123456).

Your organization cannot advertise its gaming event until it has received a gaming licence for that event.

More information about the Advertising and Marketing Standards for the BC Gambling Industry is available on the branch's website at:

www.gaming.gov.bc.ca/legislation-policies/docs/stds-advertising-marketing.pdf

Licensees must also comply with the Province's Responsible Gambling Standards, which are available on the branch web site at:

www.gaming.gov.bc.ca/responsible-gambling/docs/stds-responsible-gambling.pdf

12. FINANCIAL ACCOUNTABILITY

All licensees must:

- a) Retain all records for the gaming event, including receipt and disbursement of all gross revenues, for a period of five years.
- b) Maintain records that clearly show the amount and purpose of each financial transaction.
- c) Ensure that all cheques issued against the Gaming Account are signed by at least two of the organization's signing officials; at least one of whom must be a volunteer board member of the organization.
- d) Submit a **Gaming Event Revenue Report** within 90 days after the expiry of each gaming event licence;

In addition to a) and b), licensees generating \$20,000 or less in gross revenue annually through licensed gaming events and that do not have a gaming account must deposit to and distribute all gaming proceeds from a bank account bearing the organization's full name (a separate gaming account is not required); and

Licensees that could generate more than \$20,000 in gross revenue annually through licensed gaming events, or that have an established gaming account, must comply with more rigorous accountability requirements. In addition to a) and b), these licensees must:

- Maintain a separate gaming account, in the organization's legal name, for the exclusive purpose of receiving and disbursing gaming proceeds, including any funds received through licensed gaming, Community Gaming Grants or gaming fund donations;
- Obtain cheques for the gaming account with the organization's legal name and the words "Gaming Account" imprinted;
- Submit a **Gaming Account Summary Report** within 90 days of the end of the organization's fiscal year.

Licensees must satisfy all conditions, including reporting requirements, for gaming funds previously received before another application will be considered.

Licensees generating \$250,000 or more in gross revenue from a single gaming event licence will be audited by the branch. Other licensees are subject to periodic audits by the branch.

13. RECONSIDERATION OF A DECISION REGARDING AN APPLICATION

Decisions regarding eligibility for a gaming event licence may be subject to reconsideration by the Executive Director, Licensing, Registration, and Certification Division.

To have its application reconsidered, an organization must submit a written request to the Executive Director, Licensing, Registration, and Certification Division, within 30 days of notification of the decision, stating reasons for the reconsideration and providing clarifying information that may support its request. New information may be considered at the discretion of the Executive Director.

The Executive Director will conduct a thorough review to ensure the procedures, rules and conditions were applied fairly and properly, and will either vary or uphold the original decision. The written decision of the Executive Director will be sent to the affected organization or individual within 60 days of receiving a written request for reconsideration.

For more information about the Internal Review process, please refer to www.gaming.gov.bc.ca/legislation-policies/docs/internal-review-procedures-licensed-gaming.pdf.

14. CONTACT INFORMATION

Head Office

Mailing address:

Gaming Policy and Enforcement Branch
PO Box 9310 Stn Prov Govt
Victoria BC V8W 9N1

Location (for courier deliveries or visiting in person):

3rd Floor, 910 Government Street
Victoria BC V8W 1X3

Telephone: 250 387-5311
Facsimile: 250 356-8149

E-mail: Gaming.Branch@gov.bc.ca
Web: www.gaming.gov.bc.ca
Online Services: www.gaming.gov.bc.ca/gaming/Home.do

Lower Mainland Regional Office

Gaming Policy and Enforcement Branch
220 - 4370 Dominion Street
Burnaby BC V5G 5L7

Telephone: 604 660-0245
Facsimile: 604 660-0267

Interior Regional Office

Gaming Policy and Enforcement Branch
200 – 1517 Water Street
Kelowna BC V1Y 1J8

Telephone: 250 861-7363
Facsimile: 250 861-7362

Northern Regional Office

Gaming Policy and Enforcement Branch
211, 1577 – 7th Avenue
Prince George BC V2L 3P5

Telephone: 250 612-4122
Facsimile: 250 612-4130

Other Key Contacts

Audit and Compliance Division (Lower Mainland).....	604 660-0245
Investigations Division (Lower Mainland).....	604 660-0245
Licensing and Grants Division (Victoria)	250 387-5311
Registration and Certification Division (Victoria)	250 356-0663
Complaints Coordinator.....	604 660-5010

APPENDIX A – ADVERTISING AND MARKETING STANDARDS FOR GAMBLING IN BRITISH COLUMBIA



BRITISH
COLUMBIA

Gaming Policy and Enforcement Branch

ADVERTISING AND MARKETING STANDARDS FOR GAMBLING IN BRITISH COLUMBIA

Context

The Province of British Columbia wants to ensure gambling activities are carried out in a socially responsible manner. The Gaming Policy and Enforcement Branch regulates gambling in B.C.

Authority and Application

Section 27(2)(d) of the Gaming Control Act authorizes the General Manager of the Gaming Policy and Enforcement Branch to establish public interest standards for the gambling industry. The following advertising and marketing standards apply to products and/or gaming facilities promoted by BC Lottery Corporation, gaming service providers, and gaming event licensees. These standards do not apply to corporate advertising which does not include references to, or promote, products and/or gaming facilities.

As an agent of government, the BC Lottery Corporation conducts and manages most commercial gaming in the province, including casinos, commercial bingo halls, community gaming centres, and lotteries. The Corporation contracts with gaming services providers to operate those gaming facilities.

Private companies are licensed, as gaming services providers, to operate horse race tracks and tele-theatre outlets.

Community organizations may be licensed to conduct gaming events, such as ticket raffles, independent bingos, social occasion casinos, and wheels of fortune.

All advertising related to gambling is expected to abide by provincial standards of conduct as outlined in this document. Furthermore, organizations are expected to abide by any additional marketing and advertising standards published in relevant Gaming Policy and Enforcement Branch standard procedure documents.

Objectives

- To ensure gambling is represented in a responsible manner in all advertising and marketing.
- To ensure that targeted media campaigns enhance public awareness of both responsible and problem gambling issues and services.

Advertising and Marketing Standards

Any advertising or marketing of a gaming event or scheme must be displayed in compliance with applicable laws and policies and must not be immoral or obscene in any way. Any depiction of a dominant characteristic of which is the undue exploitation of sex, or of sex, and any one or more of the following subjects, namely, crime, horror, cruelty and violence, shall be deemed to be obscene.

In cases not specifically covered in this document, it is expected that the spirit of the requirements will be followed.

Responsible Gambling

- Advertising and marketing materials must, as deemed reasonable and appropriate by GPEB, contain a responsible gambling message. Questions related to reasonable and appropriate messaging should be directed to GPEB's Director, Responsible and Problem Gambling.
- The Province's responsible/problem gambling materials and information about how a problem gambler may obtain help must be easily visible - in high traffic areas of gaming facilities, on electronic media pages such as PlayNow.com where gambling is promoted, at locations where gaming products are being sold, or (when requested) at licensed gaming events.
- Responsible and problem gambling messaging must reflect the demographic targeted by the advertising and marketing materials/activities. Responsible and problem gambling messaging must be presented in the same language as the language of the advertisement.
- Advertising and marketing materials **must not**:
 - Encourage people to play beyond their means;
 - Imply the certainty of financial reward or alleviation of personal and financial difficulties;
 - Present gambling as an alternative to employment or as a financial investment;
 - Encourage play as a means of recovering past gambling or other financial losses;
 - Imply that chances of winning increase the longer one plays;
 - Suggest skill, practice and experience, individually or together, can ensure a positive outcome;
 - Knowingly depict inappropriate use of the product(s) or be placed in, or adjacent to, other media that depict inappropriate use of the product(s); or depict a pre-occupation with gambling.

Odds of Winning

- Information on the odds of winning must be clearly stated and made available to the public through relatively accessible means.
- Information on the odds of winning must factually report the chances of winning in various gambling activities.
- Advertising and marketing materials must:
 - Not present winning as the most probable outcome, nor misrepresent a person's chance of winning a prize; and
 - Describe prize amounts accurately, indicating, where necessary, if prizes are in the form of annuities.

Protecting Minors

Minors are defined as youth and/or children under the legal purchase age of 19.

- Advertising and marketing materials must not:
 - Use individuals who are, or appear to be, minors to promote gambling;
 - Appear in media directed primarily to minors, or where most of the audience is reasonably expected to be minors;
 - Appear on outdoor displays that are directly adjacent to schools or other primarily youth-oriented locations;

Guidelines: Applying for a Class A or Class B Gaming Event Licence

- Appear at venues where the primary audience is reasonably expected to be minors;
- Be based on themes, or use language, intended to appeal primarily to minors;
- Promote gambling in television or radio programming whose primary audience is expected to be minors; or
- Contain cartoon figures, symbols, role models, and/or celebrity/entertainer endorsers whose primary appeal is to minors.

Issued by:

John Mazure, General Manager
September 2015