

**PROVINCE OF BRITISH COLUMBIA
GAMING POLICY AND ENFORCEMENT BRANCH
COMMERCIAL BINGO HALLS IN BC:
ROLE OF CHARITIES AND ASSOCIATIONS
FREQUENTLY ASKED QUESTIONS
DECEMBER 28, 2001**

LICENCE OF AFFILIATION

When will licences of affiliation be issued?

Initial licences of affiliation will be issued early in January 2002, and no later than January 14, 2002, without need for application. These licences of affiliation will include terms and conditions reflecting the new role of charities.

How long is the term for licences of affiliation?

The initial licences of affiliation will be for a term equal to, or longer than, each organization's current licence. Many licences of affiliation will expire on the same date that former licenses would have expired. However, to allow for an orderly transition, the Branch will lengthen the terms of licences that would have otherwise expired by March 31, 2002. In no circumstances will the Branch issue an initial licence of affiliation for a term that is shorter than an organization's current licence.

What happens when initial licences of affiliation expire?

When the initial licences of affiliation expire, charities must reapply (as is currently the case). Subsequent licences or affiliation will be issued for three-year terms (recently increased from two years).

Will charities have to re-declare their affiliation with their hall?

No. Charities currently licensed are automatically presumed to be affiliated with their existing hall, unless they notify the Branch, in writing, that they are withdrawing that affiliation.

Who determines a charity's' membership in an Association?

The Gaming Policy and Enforcement Branch determines eligibility and the number of charities attached to each bingo hall.

Under what authority does the Branch determine a charity's membership in an Association?

The Government of BC provided the Branch the authority to undertake all of the functions for which the Branch is responsible, including determining a charity's membership in an Association.

CHARITIES' TIME COMMITMENTS

What 'time commitment' will a charity have to fulfill to receive its gaming revenue?

Each charity will have two time obligations attached to its license of affiliation, including:

- a total number of hours that must be fulfilled; and
- a minimum number of hours that must be fulfilled in the hall.

Both obligations must be fulfilled in order to receive gaming proceeds.

The general obligation is one (1) hour per \$1,000 of gaming revenue, or part thereof (minimum 5 hours, maximum 100 hours). The following table summarizes those requirements.

These obligations represent about half of former time obligations.

Time Commitment Schedule

Gaming Revenue to be Received	Total Hours that must be Fulfilled	Minimum Portion of Time that must be Fulfilled in the Hall
Up to \$5,000	5 hours	100% (5 hours)
\$5,001 - \$10,000	1 hour per \$1,000 (or part thereof)	50%
Over \$10,000	1 hour per \$1,000 (or part thereof, to a maximum of 100 hours))	25%

Who will schedule charities' time commitments?

Each Association will schedule its member charities' activities. It is expected this will be done in full consultation with member charities.

How will the time commitment be monitored?

Each Association will monitor fulfillment of its member charities' time commitments.

Associations can easily monitor fulfillment of in-hall obligations. Each Association will have to determine the best method to monitor out-of-hall commitments. For instance, they may have charities self-report fulfillment of out-of-hall obligations, and provide evidence of fulfillment of each obligation (such as a letter of confirmation from a host location).

Associations must report both in-hall and out-of-hall infractions to the Branch. The Branch will review infraction reports and determine sanctions (including license revocation) for charities' non-fulfillment of obligations.

Can a charity's time commitment be fulfilled by paid staff?

No. Only volunteers can fulfill time commitment obligations.

If a charity withdraws from a hall, will it be given any supplementary funding?

A charity that withdraws its affiliation with a hall at the time of transition will automatically receive Direct Access funding for the duration of its fiscal year. After that time, it will be eligible to apply for Direct Access funding. A charity that withdraws subsequent to transition will be eligible to apply for Direct Access. This is consistent with current policy.

If a charity withdraws from a hall, what happens to its share of the hall's revenue?

Can the Branch assign new charities to that hall?

If a charity leaves a hall or has its licence revoked, the Branch will determine the next eligible charity, or charities, to receive a licence of affiliation and those proceeds.

LINK TO DIRECT ACCESS

Will an application for a licence of affiliation serve as an application for Direct Access as well (i.e. will one application serve both sources)?

Yes, one application can be used to access both bingo and direct access funding.

Is there a 'time commitment' attached to receiving Direct Access funding?

No. Direct Access recipients are not required to fulfill any time commitment to receive funding. That funding is based on an evaluation of the applicant's programs.

Why do organizations apply for bingo funding (that requires a time commitment) rather than Direct Access funding (that has no time commitment)?

Organizations prefer affiliation with a bingo hall for many reasons, including

- A tradition of fundraising through bingo;
- A preference to 'earn' their funding;
- A preference to receive funding directly from bingo, rather than indirectly from casino revenue through Direct Access;
- Being involved in bingo is an opportunity for an organization to inform the community of its services and recruit new volunteers.
- A bingo licence 'guarantees' funding for the three-year term of a licence, (recently increased from two), while Direct Access funding is for one year;
- Bingo funds are disbursed on a monthly basis, while Direct Access is distributed annually;

DISTRIBUTION OF BINGO REVENUE TO CHARITIES

How will revenue be distributed?

The Gaming Policy and Enforcement Branch is responsible for distributing gaming proceeds, consistent with Government legislation and policy.

The Minister has asked the Gaming Policy and Enforcement Branch to re-consider the decision to have Associations make EFT payments to each of their member charities, and to consider other options. The Minister wants to ensure the most efficient method is used for those payments. The Minister and Branch will finalize this matter by January 10, 2002.

What happens to the facility level guarantee (top-up)?

Where charities are earning less than the hall's facility level guarantee, Government will continue to 'top-up' to the same amount of funding that charities have been receiving. Government does not 'top-up' those charities earning more than the facility level guarantee, or those affiliated with halls not eligible for top-up.

SANCTIONS/NON-COMPLIANCE

What are the sanctions for non-compliant charities?

Up to, and including, January 14, 2002, it is 'business as usual' - existing sanctions apply.

Starting January 15, 2002, when new licences of affiliation and time commitments take effect, new sanctions (consisting of a three-stage process) will apply to incidents of non-compliance. The three-stage process includes:

1. Notice - The Branch will notify a non-compliant licensee that:
 - It has not fulfilled its time requirements, as scheduled;
 - It must make up the time by the next reporting period (month);
 - If the matter is not rectified, its charitable gaming revenue will be immediately terminated and its licence of affiliation revoked; and
 - If the matter is rectified, but there is another incident of non-fulfillment, its licence will be revoked and its gaming revenue terminated.
2. Revocation - The Branch will advise a non-compliant licensee that its licence of affiliation is revoked and no further charitable gaming revenue will be forthcoming for the term of its licence.
3. Reconsideration - As needed and requested, the Director, Gaming Proceeds Distribution, will reconsider revocation of a licence of affiliation.

What is the process for reconsideration of revocations?

The Director, Gaming Proceeds Distribution, will respond to requests to reconsider the revocation of a licence of affiliation.

What happens to the revenue while a licence revocation is being reconsidered?

Revenue will be held in trust until a final determination has been made.

ASSOCIATIONS

How can charities be sure Associations will fairly represent and consider their membership's interests?

Associations are headed by a board elected by general membership and accountable to both the membership and the Association bylaws (which define rights and responsibilities).

Are Associations licensed?

Charity associations schedule their member charities' time commitments and monitor compliance. The Minister has asked the Gaming Policy and Enforcement Branch to re-consider the decision to have Associations make EFT payments to each of their member charities, and to consider other options. The Minister wants to ensure the most efficient method is used for those payments. The Minister and Branch will finalize this matter by January 10, 2002.

Associations are not licenced. If the decision to have Associations distribute gaming revenue to member charities stands, all Associations will have to be registered by the Gaming Policy and Enforcement Branch. This registration would serve as the Association's certification to fulfill that role.

Can an Association fulfill both a service provider role and a traditional Association role to charities?

Yes. Associations can be both a service provider, on contract with the BC Lottery Corporation, and fulfill the Association functions. However, an Association that fulfills both functions must:

- Be registered as a service provider; and
- Ensure adequate systems and processes are in place to separate its function as a service provider from its role as a charity association.

FUNDS CURRENTLY HELD BY ASSOCIATIONS

What will happen to the money that remains with the Associations as of January 14, 2002 (e.g. available funds, 1 percent Association fund, contingency funds, floats etc.)?

Associations are responsible for returning gaming revenue, as identified by audit, to member charities. To allow for an effective transition to the conduct and management of commercial bingo halls by the BC Lottery Corporation, the following timelines and categories apply to gaming funds each Association currently holds or will be receiving.

The following gaming proceeds must be distributed to member charities by January 14, 2002:

- Available funds accumulated by bingo associations for marketing initiatives, prize board enhancement, and facility improvements.
- One percent funds accumulated by bingo associations for expenses incurred in carrying out duties, including legal and accounting fees.

The following gaming proceeds may be retained temporarily by an Association to assist with transition. These amounts will be particularly relevant to self-managed associations that choose to become service providers. All such gaming revenue must be distributed to member charities by March 31, 2003:

- Surplus reserve funds accumulated by bingo associations for operational necessities and capital purchases prior to the introduction of the “top-up” program.
- Funds obtained from the BC Lottery Corporation for the purchase of bingo equipment.
- Funds obtained from the BC Lottery Corporation for the purchase bingo paper.
- Operating funds, such as petty cash and floats.
- ATM revenues

Beginning January 15, 2002, will an Association’s 'administration fees' be audited?

The Association 'administration fee' has been increased (from 0.25% of gross revenue to a maximum of \$5,000) to 0.5% of gross revenue to a maximum of \$10,000. This amount may not be carried over from one fiscal year to the next and may not exceed \$10,000 at any time. Unused amounts must be distributed annually to member charities. If the decision to have Associations distribute proceeds to member charities stands, this amount will be further increased.

Associations are required to submit an annual Gaming Account Summary (GAS), which includes an accounting of administration fees, for review.

REGISTRATION

Who will be registered?

All gaming service providers and gaming workers must be registered. All officers, directors, key persons, gaming account signing authorities and gaming workers (except floor workers, that have been excluded by class) must be registered.

If, at the discretion of the service provider, a volunteer fulfills any role related to the conduct and management of a commercial bingo hall, that volunteer must have the same training and registration required of a paid employee that would fulfill that function.

If Associations do end up distributing gaming proceeds to member charities, they will also have to be registered to fulfill that function.

What will the registration fee structure be?

Bingo gaming service providers and gaming workers are required to pay a registration fee. The registration fee structure for bingo gaming service providers is under review and will be announced shortly. The registration fee for bingo gaming workers is \$25 per person.