



January 25, 2002

Log # 175652

To All Community Organizations:

I am writing further to the December 20, 2001 announcement, by the Solicitor General, of changes to policies and processes related to community organizations and gaming in British Columbia. Following are additional details regarding the implementation and timing of these policy changes.

Changes Effective January 1, 2002

Limit on class "B" licences (raffles, bingo, 50/50 draws, wheels of fortune)

- The limit for projected gross revenue for "B" licences has increased from \$10,000 to \$20,000.
- Prize values for each raffle must represent a minimum 20% of the value of all projected ticket sales, to a maximum value of \$10,000. If the prize value exceeds the maximum for a "B" licence, the applicant must apply for a class "A" licence.

Number of raffles per class "A" licence

- Class "A" licences are those which have projected gross revenues in excess of \$20,000 and/or the prize value exceeds \$10,000.
- There are no caps on the number of Class "A" ticket raffles a licensee may conduct, or the amount(s) a licensee may generate, annually.
- Due to the size of these raffles, a separate application and licence are required for each raffle.
- Licences will not be issued if applicants are ineligible or fail to comply with either licence terms and conditions, or the *Criminal Code*.

Ticket raffles

- There are no geographical restrictions on the advertising or sale of ticket raffles in BC.
- Raffle tickets may not be sold outside of BC.

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Changes Effective April 1, 2002

Direct Access application process

Effective April 1, 2002:

- An organization's application for direct access funding is streamlined for that organization's second, and subsequent, funding requests.
- It is unnecessary for applicants to resubmit copies of identical information each year. For example, if an organization's constitution has not changed, the document need not be included with the next application.
- The Gaming Policy and Enforcement Branch is implementing a simplified process that includes, for example, a document checklist and conditional approval of applications, where possible.
- The Branch will work with each organization to ensure a minimum process is required from the applicant.

Board of Directors

Effective April 1, 2002:

- The requirement that all of an organization's board members reside in BC in order to receive gaming proceeds is waived.
- At least two-thirds of board members must be BC residents. All board members must be Canadian residents.
- All gaming proceeds must be spent in the province on programs, services, and activities directly benefiting British Columbians.

Capital projects

Effective April 1, 2002:

- Capital projects are an eligible use of proceeds, and organizations may apply for gaming funding for capital projects.
- The maximum that may be requested for capital projects is \$100,000 per year, up to 50% of the total project cost. Use of gaming funds may be deferred for up to 3 years, if necessary, to fund capital projects in excess of \$100,000.
- Revenue earned or acquired after April 1, 2002 is eligible for these purposes.
- Revenue earned through licenced gaming event(s) that occur prior to April 1, 2002, earned in connection with a Certificate of Affiliation prior to April 1, 2002, or acquired through Direct Access prior to April 1, 2002, may not be used for capital projects, even if the revenue is spent after that date.

Approval of community service organization donations over \$1,000

Effective April 1, 2002:

- Community service organizations and their boards of directors are solely responsible for determining donation amounts to eligible organizations.
- No prior approval of donation amounts by the Branch is required.
- Community service organizations must report their disbursements annually, on the gaming account summary report.
- Community service organizations must ensure recipient organizations meet all eligibility criteria, and that proposed uses of proceeds satisfy eligibility requirements.
- Community service organizations must continue to receive written reports from recipient organizations and retain records regarding how donated funds are spent.

Administration fee for community service organizations

Effective April 1, 2002:

- The administration fee that community service organizations may retain from licensed gaming events they conduct and manage, is increased to 7% from 5%.

Affiliation with commercial bingo halls

- When charities' initial Certificates of Affiliation with a commercial bingo hall expire, subsequent certificates of affiliation will be for three years.
- Implementation of certificates with three-year terms will be staggered to allow for an equitable distribution of certificate expiry dates.

New terms and conditions regarding community organizations' access to, and use of, gaming revenue, and the conduct and management of charitable gaming, which incorporate these policy and procedural changes and other announcements made by the Minister, will be produced and distributed over the next few weeks.

In addition, the Minister's review of charitable gaming policies will continue during the next few months, and further improvements are anticipated.

If you would like more information about these changes, please contact your regional gaming office.

Sincerely,

ORIGINAL SIGNED BY

Derek Sturko
A/General Manager

cc: Honourable R. T. (Rich) Coleman
Alison MacPhail
Directors
Regional Managers