

Conditions for a Class A and Class B Gaming Event Licence

The licensee for a Class A or a Class B licensed gaming event ("licensee") must comply with the following conditions:

General Requirements

1. The licensee shall at all times fully comply with all provisions of the Gaming Control Act, all regulations and rules under the Gaming Control Act, all policies published by the Gaming Policy and Enforcement Branch (the branch), and all directives issued by the General Manager, whether enacted, published or issued before or after the date the licence was approved, and as amended from time to time.
2. The licensee shall fully comply with all other applicable enactments of the Province, all applicable federal laws and applicable municipal bylaws.
3. All information contained in, and submitted with, the licensee's application must be true and correct.

Conduct and Management

4. The board members of the licensee must ensure the licensed gaming event ("gaming event") is conducted and managed in accordance with these conditions, including any additional conditions imposed by the General Manager, and the applicable Standard Procedures.
5. The licensee must conduct and manage the gaming event only on the dates, times and locations specified on the licence, with the gaming activities restricted to the type authorized on the licence.
6. The licensee cannot transfer or assign its licence.
7. The licensees must comply with the advertising and marketing standards as specified in the applicable Standard Procedures and 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.
8. Unless permitted under Part 10 of the Gaming Control Regulation and specified in the applicable Standard Procedures, the licensee must not allow minors to:
 - a) Participate in a licensed gaming event, either as a player or as a worker; or
 - b) Be present at a licensed gaming event.
9. The licensee must:
 - a) Prominently post its licence in public view at the gaming event, or in the case of ticket raffle, ensure the licence is available for inspection; and
 - b) Ensure all gaming materials include the gaming event licence number where required, and in the form specified, in the applicable Standard Procedures.
10. For a gaming event that could generate over \$250,000 in gross gaming revenue, separate individuals must be responsible for running the gaming event and for financial accountability.

Registration

11. Licensees may only contract with service providers registered by the branch's Registration Division.
12. If required under the applicable Standard Procedures, licensees may only use gaming supplies and equipment approved by the branch.
13. For a gaming event that could generate over \$250,000 in gross gaming revenue, the two individuals performing the functions described in condition 10 must be registered by the branch's Registration Division.

Gaming Revenue

14. Gross gaming revenue includes all monies generated through the gaming event for which the organization is licensed. Once prizes and event-related expenses are deducted, the balance is defined as net gaming proceeds.
15. Gross gaming revenue may only be used for the following:
 - a) **Event-Related Expenses** (A receipt for each expense must be retained as part of the gaming records):
 - **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 casino and wheel of fortune licensees:** Expenses must not exceed 40 per cent of the win.

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- b) **Prizes:** For all licensed gaming events except poker, the value of the prizes is at the discretion of the licensee. For licensed poker events, the value of the prizes cannot exceed \$1,000 per player and \$2,000 total per event.
 - c) **Community programs and services:** Net gaming proceeds may only be used for eligible disbursements directly related to the delivery of an eligible organization's programs and services within BC as set out in conditions 20 to 22.
16. Licensed service organizations must distribute net gaming proceeds as set out in conditions 23 to 25.
 17. Licensed community fundraising groups must donate all net gaming proceeds to the organization(s) specified in the licensee's application and approved by the branch.
 18. Net gaming proceeds must be fully disbursed within 12 months of receipt of the gaming proceeds, or within 3 years if approved in writing by the General Manager.
 19. If the organization is unable to fully disburse the gaming proceeds within the approved time period, all remaining proceeds must be donated to one or more organizations that meets eligibility criteria outlined in **Guidelines for Applying for a Class A or Class B Gaming Event Licence (the Guidelines)** and agrees to use the donated funds only for eligible disbursements as set out in conditions 20 to 22.

Eligible Disbursements

20. For all licensees except Parent Advisory Councils and eligible independent school parent groups (PACs), eligible disbursements are expenditures directly related to the delivery of an eligible organization's programs and services within BC, including, but not limited to:
 - a) Operational costs, including, but not limited to, items such as wages, utilities, facility rental and supplies;
 - b) Rental or purchase of equipment;
 - c) In-province travel;
 - d) Membership fees in any BC organization that represents the licensee's interests.
 - e) Capital projects with a total cost under \$20,000. Capital projects include construction of new facilities, renovation or maintenance of existing facilities and property development. Capital projects totaling \$20,000 or more require prior approval from the branch;
 - f) 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 of the Guidelines: Applying for a Class A or Class B Gaming Event Licence 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
 - g) In some instances, to assist with relief efforts for disasters or emergencies outside of British Columbia. Instances authorized by the General Manager are posted on the branch web site at www.gaming.gov.bc.ca. See also Guidelines: Applying for a Class A or Class B Gaming Event Licence, Section 7.3.
21. PACs may only use net gaming proceeds for eligible disbursements within BC that benefit students by enhancing the extracurricular opportunities of a variety of student activities, including, but not limited to:
 - a) Student publications: newsletters, yearbooks;
 - b) Student competitions: writing, debating, chess, music;
 - c) Student computers: software, hardware, accessories;
 - d) Student societies: drama club, student society;
 - e) Student ceremonies: graduation, dry grad;
 - f) Student conferences or educational field trips within BC;
 - g) Uniforms and equipment for extracurricular activities;
 - h) Sports or playground equipment;
 - i) Awards and trophies;
 - j) Scholarships and bursaries;
 - k) Student transportation and travel within BC; and
 - l) Capital projects (not including school construction).
22. For all licensees, the following are ineligible uses of net gaming proceeds:
 - a) Disbursements outside of the province unless approved in advance by the branch in writing;
 - b) Costs not directly related to the delivery of an eligible organization's programs and services;
 - c) Travel that is social, recreational or invitational in nature, or travel for Annual General Meetings, Board meetings, retreats, conferences or inter-league tournaments;
 - d) Out-of-province travel, unless approved in advance by the branch;
 - e) Out-of-province or out-of-country aid, except, in some instances, to assist with relief efforts for disasters or emergencies outside of British Columbia. Instances authorized by the General Manager are posted on the branch web site at www.gaming.gov.bc.ca. See also Guidelines: Applying for a Class A or Class B Gaming Event Licence, Section 7.3;

- f) Past debt, loan or interest payments;
- g) Sustaining or endowment funds; or
- h) Professional development of staff.

Service Organizations

- 23. Service organizations must donate their net gaming proceeds for eligible disbursements set out in conditions 20 to 22, less the amount permitted in condition 25, to:
 - a) Organizations, programs or services that meet eligibility criteria outlined in the **Guidelines**;
 - b) An organization affiliated with the service organization, as long as the recipient organization meets the eligibility criteria outlined in the **Guidelines**, and the organization has a separate and democratically chosen board; or
 - c) Individuals or families where relief is of a short-term nature or a one-time payment intended to relieve an exceptional condition or circumstance.
 - d) Note: Service organizations must not donate net gaming proceeds to organizations or programs outside of British Columbia except, in some instances, to assist with relief efforts for disasters or emergencies outside the province. Instances authorized by the General Manager are posted on the branch web site at www.gaming.gov.bc.ca. See also Guidelines: Applying for a Class A or Class B Gaming Event Licence, Section 7.3.
- 24. Service organizations must monitor the use of net gaming proceeds by the donation recipient and must immediately report to the branch any suspected or known instance where net gaming proceeds are not used for eligible disbursements consistent with conditions 20 to 22.
- 25. Service organizations may retain 10 per cent of net gaming proceeds for their own purposes. Where net gaming proceeds are 25 per cent or more of gross gaming revenue, service organizations may retain 15 per cent of the net gaming proceeds.

Financial Control and Audit Requirements

- 26. **Gaming funds** include any funds generated through gaming, including licensed gaming events, community gaming grants, and gaming fund donations, as well as interest and revenues from the sale of assets purchased with gaming funds.
- 27. **All licensees** must:
 - a) Maintain financial records that clearly show the amount and purpose for each transaction involving the receipt or disbursement of gaming funds;
 - b) Retain all gaming records for a period of five years from the end of the fiscal year in which the funds were disbursed. The gaming records include all financial records, cancelled cheques, bank statements, bank transaction receipts, invoices and sale receipts, records of tickets sold, all unsold cards, and all receipts from the disbursement of gaming funds, including any expense receipts;
 - c) All unsold tickets (except bearer tickets) and ticket stubs or counterfoils must be retained for two years or until the branch has audited that particular raffle, whichever comes first;
 - d) Only use electronic transfers and/or automated debits from the gaming fund bank account where the board of directors has authorized the transactions in writing. This authorization must specify the purpose and maximum dollar amount permitted; and
 - e) Ensure the 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. This requirement also applies to Registered Raffle licensees that may use a computerized signature or signature plate. A volunteer board member is required to document pre-approval of payment of each gaming disbursement where computerized signature is used on cheques. In the case of a Registered Raffle licensee, where signing authority has been delegated to a Chief Executive Officer or other senior staff member, that person must be registered with the Gaming Policy and Enforcement Branch; and
 - f) Submit a **Gaming Event Revenue Report** within 90 days of the expiry of each gaming event licence.
- 28. In addition to Condition 27, **all licensees potentially generating \$20,000 or less in gross gaming revenue annually through licensed gaming events**, must deposit, hold and distribute all gaming funds from a bank account bearing the organization's full name (a separate gaming account is not required).
- 29. In addition to Condition 27, **all licensees that could potentially generate more than \$20,000 in gross licensed gaming revenue annually, or that have an established gaming account, must:**
 - a) Maintain a separate gaming account, specified in the organization's full name, for the exclusive purpose of receiving, holding and disbursing gaming proceeds, including any funds received through licensed gaming, community gaming grants or gaming fund donations;
 - b) Obtain cheques for the gaming account that have the organization's full name and the words "Gaming Account" imprinted on them;
 - c) Ensure the 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 of the expiry of each gaming event licence; and
 - e) Submit a **Gaming Account Summary Report** within 90 days of the end of the licensee's fiscal year.
- 30. Cash withdrawals of gaming funds are not permitted.
- 31. The licensee must ensure the General Manager has reasonable access to the premises where the gaming event is held and to all gaming records, and may copy or remove records from the premises at the General Manager's discretion.

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32. The licensee must provide audited financial statements and other information that the General Manager may request from time to time.
33. The licensee understands that any reports resulting from audits conducted by the Gaming Policy and Enforcement Branch for this organization may be disclosed publicly, in compliance with the Freedom of Information and Protection of Privacy Act.

Suspension, Revocation and Repayment of Gaming Revenue

34. If, in the opinion of the General Manager, any of these conditions are not satisfactorily met by the licensee, its agents or employees, the General Manager may suspend or cancel the licence; vary existing, or impose new, conditions on the licence; freeze the gaming account and assets; recover the gaming fund; impose up to a \$5,000 administrative fine on the licensee; and/or refuse to issue the licensee a subsequent gaming grant or a gaming event licence. Additional penalties may also be imposed under section 98 of the Gaming Control Act.

Contact Information

Related information and documents as well as general contact information are available on the Gaming Policy and Enforcement Branch website at www.gaming.gov.bc.ca.