

# THE CORPORATION OF THE TOWN OF COBOURG MUNICIPAL LOTTERY LICENSING

A brief guide for Charitable Organizations to Municipal Lottery Licensing within the Town of Cobourg.

## DOES MY ORGANIZATION QUALIFY AS CHARITABLE?

To qualify as a charitable organization, the organization must have a demonstrated charitable or religious mandate. The order-in-council defines "charitable object or purpose" as any object or purpose relating to:

- i) the relief of poverty
- ii) the advancement of education;
- iii) the advancement of religion; or
- iv) any other purpose beneficial to the community

## ANNUAL REVIEW

Once qualified, a charitable organization is required to submit the following documents, annually, to the Municipality:

- i) Current and complete List of Bona Fide Members;
- ii) Current and complete List of Board of Directors;
- iii) Minutes of Last General Meeting;
- iv) Year-End Financial Statement;
- v) Incorporation Papers, By-laws and Constitution.

Current and complete lists must include Member's name, address, phone number and email address.

Personal Information is collected under the authority of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990 c. M56, as amended. Inquiries about the collection of personal information should be directed to the Municipal Clerk.

## LEGISLATION

Charitable gaming revenues are a source of funding for a large number of organizations. The Criminal Code of Canada allows provincial governments to set gaming regulations. In Ontario, the Alcohol and Gaming Commission of Ontario (AGCO) is responsible for regulating licensed Lottery Events conducted by charitable organizations to raise funds for their charitable purposes. Order-in-Council 1413/08 and the Gaming Control Act, 1992 provide that Municipal Councils may issue Lottery Licences to charitable organizations on behalf of the Province of Ontario. Municipalities issue Licences for various Lottery Events such as Break-Open tickets, Raffles under \$50,000 and BINGO Events. The AGCO sets Terms & Conditions for each type of Lottery Event, which can also be supplemented by the Municipality. The Corporation of the Town of Cobourg By-law #006-2014 addresses Licensing and Regulation of Lottery Events within the Town of Cobourg.

*A Lottery Scheme is defined as any scheme which has the following three components: a prize; a chance to win the prize; and consideration or a fee. Therefore, Lottery Licences are required if money is paid for a chance to win a prize.*

## LOTTERY LICENCES

Municipal Lottery Licences can only be obtained from your local Municipal Office. The Municipal Lottery Licence must be clearly posted at the Lottery Event. The Municipal Lottery Licence Number must appear on all Lottery Tickets and any correspondence and advertising relating to the Lottery Event.

## BONA FIDE MEMBERS

A bona fide member is an individual who: meets the membership criteria set out in the constituting documents for the organization; has been admitted as a member in accordance with the requirements set out in the constituting documents; remains a member in good standing in accordance with the constituting documents; and participates in the activities of the organization.

**A bona fide member cannot be a member of convenience.**

They cannot have been admitted to the organization solely to assist in the operation of the Lottery Scheme

## PUBLICATIONS

Lottery Applications, Report Forms, and Terms and Conditions are all available from the Alcohol and Gaming Commission of Ontario Website at [www.agco.on.ca](http://www.agco.on.ca)



## Contact Us

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## APPLYING FOR A LOTTERY LICENCE

After a charitable organization is approved by the Municipality, they can apply for Lottery Licences. Applications must be completed in full and signed by two Principal Officers. Applications must be accompanied by the Lottery Licencing Fee (usually 3% of the Prize Value). This Fee **must** be paid by a cheque from the Organization's **Lottery Account**. Applications for Raffle Lotteries must provide a sample Raffle Lottery Ticket. Lottery Licences may take up to ten business days to process.

## CONDUCTING A LOTTERY EVENT

**Bona fide members** of the eligible charitable organizations must conduct and manage the licensed Lottery Scheme. **This is a legal requirement.** Without the participation of bona fide members the lottery becomes **illegal**. In such a case, the licensing authority may suspend Licences for future Lottery Events.

## FINANCIAL REPORTING

All qualified charitable organizations are required to have a separate lottery account. All eligible expenses, including **Lottery Licence Fees**, must be paid out of this account. Organizations are required to submit the Lottery Report to the Municipality within **30 calendar days** from the Lottery date. The Lottery Report **must** include the following documents:

- List of prize winners
- Copy of all deposit slips
- Copy of all invoices
- Copy of all receipts
- Copy of all cancelled cheques, front and back
- Copy of bank statements for the Licence period.

## USE OF LOTTERY PROCEEDS

Eligible uses of proceeds must be: in themselves, charitable and advance the charitable purposes or objects of the organization; used for the direct delivery of the charitable purposes or objects of the organization; and directed toward specific segments of the Ontario community or residents of Ontario with a common need.

## FAILURE TO ABIDE BY THE TERMS AND CONDITIONS

By completing and signing a Lottery Licence application, the Principal Officers of the Organization are, on behalf of the Organization, agreeing to abide by the Terms and Conditions under which a Lottery Licence is issued. Failure to abide by the Terms and Conditions specific to the Lottery Scheme is cause for denial of future applications, cancellation or suspension of licenses, and may result in civil liability for the criminal prosecution of the Principal Officers and the Organization.