

REQUIREMENTS FOR LOTTERY LICENCE ELIGIBILITY

To be eligible for lottery licensing, an applicant must have an established organizational structure. The applicant must be a legal entity and must have a formal document that establishes the organization. However, incorporation, whether provincial or federal, is neither a prerequisite nor a guarantee that a licence will be issued. No one may use lottery proceeds to start up an organization. The information required below is mandatory as per section 2.6.1 of the lottery licensing policy manual (LLPM)

Checklist must be submitted with your eligibility package

In order to be eligible, an organization must:

- have been in existence for at least one year;
- have provided charitable community services consistent with the primary objects and purposes of the organization for at least one year;
- have a place of business in Ontario;
- demonstrate that it is established to provide charitable services in Ontario;
- propose to use proceeds for charitable purposes or objects that benefit Ontario and its residents; and
- assume full responsibility for the conduct and management of its lottery events.

Organizations must provide all of the following information and documents that apply to it:

1. CONSTITUTING DOCUMENTS:

- A copy of its constitution;
- A copy of its letters patent;
- A copy of its bylaws;
- A copy of articles of Incorporation;

The organization must demonstrate that the following items are included in its constituting documents:

- the organization's name;
- the organization's purpose or object;
- a description of how an individual becomes a member of the organization and retains membership in the organization;
- a clause stating that the organization's members will not derive any gain from the organization, and that any profits will be used solely to promote the organization's objectives;
- a description of the organization's structure (e.g., president or chair, secretary, treasurer);

- a description of how the organization elects its directors;
- the signature of the officers who adopted the incorporating documents;
- the signature of at least three of the organization's current directing officers, certifying that the incorporating documents are current and still in effect;
- the effective date of the instrument;
- a general dissolution clause (that addresses the winding up of the organization; and
- a further clause (which may be contained in the bylaws) that, if the organization should dissolve, provides for the distribution of the organization's assets and property held or acquired from the proceeds of licensed lottery events (i.e., lottery trust accounts or property purchased with lottery proceeds) to charitable organizations that are eligible to receive lottery proceeds in Ontario.

2. ORGANIZATION'S OPERATING BUDGET FOR CURRENT YEAR:

- Current Year Operating budget

3. ORGANIZATION'S FINANCIAL STATEMENTS FOR THE LAST FISCAL YEAR:

- The Financial statements shall include an audited/verified financial statement from the last fiscal year and shall also identify the total amount spent for charitable/non profit purposes

4. A COMPLETE LIST OF BOARD OF DIRECTORS:

- Attached List must include: names, complete addresses and phone numbers and email

5. REVENUE CANADA NOTIFICATION OF REGISTRATION LETTER (IF APPLICABLE):

- Its charitable number for income tax purposes;
- Copy of Notification of Charitable Registration letter from the Canada Revenue Agency with any supporting documentation indicating the applicant's status and terms of registration;
- Copies of its charitable returns to the Canada Revenue Agency for the previous calendar year;

6. DETAILED OUTLINE OF PROGRAM/SERVICES/ACTIVITIES INDICATING THE FOLLOWING INFORMATION:

- |  |  |
|--|--|
| <input type="checkbox"/> What they are                         | <input type="checkbox"/> Supporting materials  |
| <input type="checkbox"/> How they are delivered to clients     | <input type="checkbox"/> How the funding will clearly benefit the Burlington Community |
| <input type="checkbox"/> The organizations aims and objectives | <input type="checkbox"/> Specific Costs  |

7. LOTTERY TRUST ACCOUNT

For first time applicants:

- Proof of Trust Account to be supplied upon eligibility approval

For Re-Assessment applicants:

- Proof of Trust Account must be supplied with application package

8. USE OF PROCEEDS

- Detailed list identifying each and every use that lottery funds would like to be used for

9. YOUTH (under 18) AMATEUR SPORTS ORGANIZATIONS MUST ALSO SUBMIT

- List of players and their birthdates

The organization must also provide any other information that will assist the licensing official to determine the charitable nature of its purposes, objects and activities.

After the review has been completed, the licensing officer may require additional information to process the application. The organization must provide any information that is requested.

If any changes are made to the documents submitted, the organization must provide the licensing authority with the amended documents as soon as they are available.

Because organizations change, an organization that is considered eligible for lottery licensing must continue to provide the licensing authority with any amended documents as soon as they are available.

Organizations that receive lottery licences will be subject to periodic eligibility reviews.

## LOTTERY LICENCE ELIGIBILITY

### INTRODUCTION:

Chapter 2.1.0 of the Lottery Licensing Policy Manual (LLPM) from the Alcohol and Gaming Commission of Ontario (AGCO) outlines the policies and procedures a licensing official must follow to determine:

- whether an organization is eligible to receive a lottery licence, and
- whether an organization's proposed use of lottery proceeds is eligible.

An organization must also demonstrate that for a minimum of **one** year it has carried out charitable activities that provide a direct benefit to Ontario residents, which are consistent with their mandate.

Determining an organization's eligibility for lottery licensing is a complex process. The guidelines set out in the LLPM cannot be considered in isolation of each other. A licensing official must consider all circumstances to determine which of the organization's purposes or objects and activities fall within one of the four charitable classifications. It is not sufficient to look at an organization's purposes to decide whether it qualifies as charitable: it is also necessary to look at the organization's activities.

A licensing official may reference decisions made by the courts, the Canada Revenue Agency and Office of the Ontario Public Guardian and Trustee as a guide to eligibility decisions. However, registration under the federal *Income Tax Act* as a charitable organization does not confer automatic lottery licensing privileges. Similarly, approval of letters patent of incorporation by the Office of the Ontario Public Guardian and Trustee does not confer automatic lottery licensing privileges. Licensing officials must make eligibility decisions on a case-by-case basis, by considering the specific circumstances of each organization.

Licensing officials must determine the eligible uses of lottery proceeds for each organization by examining the charitable classification of the organization's purposes or objects and activities. For example, an organization that has not demonstrated that it has an object that falls within the "Relief of Poverty" cannot use lottery proceeds to operate a food bank.

Some organizations have objects or purposes and activities that fall within more than one of the four charitable classifications. In this case, eligible uses of lottery proceeds may also fall within more than one of the four classifications.

Organizations must be continuously reviewed and reassessed to ensure continued eligibility. The examples used in this chapter reflect the current interpretation of what is eligible. It is incumbent on licensing authorities to remain current.

## **WHAT IS CHARITABLE?**

To be eligible for a lottery licence, an applicant must qualify either as an eligible charitable organization or as a non-profit organization with charitable purposes or objects.

Although there are many worthwhile activities and causes, not all are considered charitable. An essential and common element in the determination of what is charitable is the provision of “public benefit.” What is considered to benefit the public does not remain constant. It changes with the changing values and needs of society and reflects the social conditions of the time.

In order to determine which organizations are eligible for lottery licences, the Alcohol and Gaming Commission of Ontario uses the four charitable classifications set out below. In order to qualify for a lottery licence, an organization must demonstrate that it exists to provide services in one of these charitable classifications:

- a) the Relief of Poverty;
- b) the Advancement of Education;
- c) the Advancement of Religion;
- d) Other Charitable Purposes Beneficial to the Community, not falling under a) b) or c).

In addition, an eligible organization must also meet all of the following criteria:

- It must provide a charitable benefit to residents of Ontario.
- It benefits the public at large, not a private group. An organization that is established solely for the benefit of its members is not an eligible organization. It does not have a public benefit.
- It does not restrict access to its benefits. Organizations may direct their charitable works towards specific segments of the community or individuals with a common need, provided that:
  - More than a few individuals benefit.
  - The charitable benefit must be accessible to the public at large.

An organization that otherwise restricts access is not an eligible organization. Organizations that exist to provide service to individuals with a common need may provide services on an individual basis.

- Its income is not paid to or used for the personal benefit of its members, its members’ relatives or anyone who is not at arm’s length from the organization. An organization that transfers income or assets to its members for their personal benefit is not an eligible organization.
- Projects with a charitable purpose or object are one of its main aims and normal activities. An organization that does not have a mandate to provide charitable works and does not provide charitable works on a regular basis is not an eligible organization.

An organization may have purposes or objects that focus its activities towards a specific segment of the community, for example, Aboriginal persons, senior citizens, or people with physical or developmental handicaps. Such organizations may be eligible if their purposes or objects and activities fall within one of the four charitable classifications. A licensing official must assess the activities of the organization in order to determine if the organization is eligible and, if so, within which of the four charitable classifications it falls.

## **POLICIES: CHARITABLE ORGANIZATIONS**

In order to be considered a charitable organization for the purposes of lottery licensing, an organization must have purposes or objects and activities that are exclusively and wholly charitable. A charitable organization cannot have a mixture of charitable and non-charitable purposes or activities.

Charitable organizations have a number of characteristics:

1. They are non-profit organizations. Charitable organizations do not make a profit nor do they distribute profits to their members.
2. Charitable organizations provide benefits to the public or a specified segment of the public.
3. Charitable organizations are restricted to carrying out activities that advance their objects, which must be exclusively charitable. Their business activities are restricted and the public benefit they provide must be of a nature recognized by the courts as charitable.

Office of the Public Guardian and Trustee has supervisory responsibility for charitable organizations and their use of charitable funds. Charitable organizations must comply with the reporting requirements of the *Charities Accounting Act* and the ownership restrictions set out in *The Charitable Gifts Act*. Charitable organizations may register with the Canada Revenue Agency. However, registration as a charitable organization for the purposes of the *Income Tax Act* does not automatically qualify an organization for lottery licensing.

## **POLICIES: NON-PROFIT WITH CHARITABLE OBJECTS**

Organizations that have a mixture of charitable and non-charitable purposes or objects may be considered to be “non-profit with charitable objects.” A non-profit organization with charitable objects is eligible to receive lottery licences if its charitable mandate falls within one of the four charitable classifications listed in Section 2.1.1 and it meets all the other relevant criteria.

Non-profit organizations have a number of characteristics in common with charitable organizations. However, non-profit organizations do not have the same level of restriction placed on their business activities and the public benefit that they provide.

If an organization’s application does not include documentation proving its status as a charitable organization, it should be considered against the eligibility criteria to determine whether it is a non-profit organization with charitable objects.

## **POLICIES: INELIGIBLE ORGANIZATIONS**

Organizations ineligible for lottery licensing include:

- professional associations, unions and employee groups, except those set up to carry out charitable activities;
- elected representative groups including municipal, regional, provincial and federal governments;
- government agencies or bodies;
- political lobby groups and those attempting to persuade the public to adopt a particular view on a political issue;
- advocacy, self-help and other groups solely dedicated to the political, personal and financial advancement of their members; however, if direct services which fall into one of the four charitable classifications listed in section 2.1.1 are provided, advocacy or case management intended to represent an individual/s and secure appropriate charitable services for that individual/s may be considered an eligible charitable purpose.
- political parties;
- adult hobby groups;
- for-profit, members-only or private sports clubs and for-profit adult sports teams and leagues;
- those promoting a political doctrine;
- those attempting to bring about or oppose changes in the law or government policy;
- municipal councils, municipal corporations and their administrative departments; and
- organizations established solely for the purpose of fundraising.

The above list is not intended to be exhaustive. Every organization must be reviewed, based on the documents provided, since all organizations are unique.

## **OVERVIEW: INELIGIBLE ORGANIZATIONS**

An organization is ineligible for a lottery licence if:

- it is established as a profit making entity;
- it does not have a charitable purpose or object;
- it promotes private benefits to a restricted class of members;
- it is established solely for the purpose of adult recreation;
- it is established for the purpose of tourism or other activities that are purely economic in nature; or
- it is a sub-group, “partner” or auxiliary of an eligible organization that is already licensed.

Please review the Lottery Licensing Policy Manual for further information, requirements and terms and conditions. It may be found on Alcohol and Gaming Commission of Ontario website [www.agco.on.ca](http://www.agco.on.ca) .

## **CONSTITUTING DOCUMENTS**

Every applicant organization must have a document that establishes the organization, setting out the members' common purpose and detailing how the organization will operate in order to achieve that purpose. Formal documents include Letters Patent, constitution, and memorandum of association. Informal associations that have not adopted formal written constituting documents are not eligible for lottery licensing.

The organization must demonstrate that the following items are included in its constituting documents:

- The organization purpose and object;
- A description of how an individual becomes a member of your organization and how they retain membership in the organization;
- A clause stating that the organization's members will not derive any gain from the organization, and that any profits will be used solely to promote the organizations objectives;
- A description of the organization's structure (e.g., president or chair, secretary, treasurer);
- A description of how the organization elects its directors;
- The signature of at least three of the organization's current directing officers, certifying that the incorporating documents are current and still in effect;
- The effective date of the instrument; and
- A general dissolution clause (that addresses the winding up the organization); and
- A further clause (which may be contained in the by-laws):  
That, if the organization should dissolve, provides for the distribution of the organizations assets and property held or acquired from the proceeds of licensed lottery events (i.e., lottery trust accounts or property purchased with lottery proceeds) to charitable organizations that are eligible to receive lottery proceeds in Ontario.

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## **REQUIREMENTS FOR LOTTERY LICENCE ELIGIBILITY**

- ♦ Information required below is **mandatory** as per section 2.6.1 of the lottery licensing policy manual (LLPM)
- ♦ This checklist **must** be submitted with your eligibility package

### **1. CONSTITUTING DOCUMENTS:**

- |                                       |  |
|---------------------------------------|--|
| <input type="checkbox"/> By-Laws      | <input type="checkbox"/> Letters of Patent         |
| <input type="checkbox"/> Constitution | <input type="checkbox"/> Articles of Incorporation |

*As per Section 2.6.3 of the LLPM one or more of the documents submitted must include:*  
“a clause stating that the organization’s members will not derive any gain from the organization, and that any profits will be used solely to promote the organization’s objectives;”  
*And*  
“a further clause (which may be contained in the by-laws): that, if the organization should dissolve, provides for the distribution of the organization’s assets and property held or acquired from the proceeds of licensed lottery events (i.e., lottery trust accounts or property purchased with lottery proceeds) to charitable organizations that are eligible to receive lottery proceeds in Ontario.”

### **2. REVENUE CANADA NOTIFICATION OF REGISTRATION LETTER (IF APPLICABLE):**

- Copy of Notification of Charitable Registration document from the Canada Revenue Agency with any supporting documentation indicating the applicant’s status and terms of registration, and
- A copy of the charitable return to the Canada Revenue Agency for the previous calendar year.

### **3. DETAILED OUTLINE OF PROGRAM/SERVICES INDICATING THE FOLLOWING INFORMATION:**

- |   |   |
|---|---|
| ♦ What they are                         | ♦ Supporting materials  |
| ♦ How they are delivered to clients     | ♦ How the funding will clearly benefit the Burlington Community |
| ♦ The organizations aims and objectives | ♦ Specific Costs  |

### **4. ORGANIZATION’S OPERATING BUDGET FOR CURRENT YEAR:**

- Current Year Operating budget

**Cont’d on other side➔**

**5. ORGANIZATION'S FINANCIAL STATEMENTS FOR THE LAST FISCAL YEAR:**

- The Financial statements shall include an audited/verified financial statement from the last fiscal year and shall also identify the total amount spent for charitable/non profit purposes

**6. A COMPLETE LIST OF BOARD OF DIRECTORS:**

- Attached List must include: names, complete addresses and phone numbers and email

**7. LOTTERY TRUST ACCOUNT**

**For first time applicants:**

- Proof of Trust Account to be supplied upon eligibility approval

**For Re-Assessment applicants:**

- Proof of Trust Account must be supplied with application package

**8. USE OF PROCEEDS**

- Detailed list identifying each and every use that lottery funds would like to be used for

**9. YOUTH (under 18) AMATEUR SPORTS ORGANIZATIONS MUST ALSO SUBMIT**

- List of players and their birthdates



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**APPLICATION FOR LOTTERY LICENCE ELIGIBILITY**

**PART 1**

Name of Organization: \_\_\_\_\_

Address of Organization: \_\_\_\_\_  
\_\_\_\_\_

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**PART 2**

Should we have any questions or require further information about this eligibility submission, who should we contact:

Name: \_\_\_\_\_

Email address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

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**PART 3**

How long has the organization been in existence? \_\_\_\_\_  
(Must be at least one year in order to qualify for eligibility)

How does your charity benefit the Burlington Community?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**PART 4**

Is your organization legally, financially and administratively separate from Government bodies and/or agencies?

YES                      or             NO

*Government agencies or bodies; political lobby groups and those attempting to persuade the public to adopt a particular view on a political issue, municipal councils, municipal corporations and their administrative departments are not eligible therefore if you answered NO to the above question, your organization is not eligible.*

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**PART 5**

Is your organization currently licenced, or ever been licenced, in any other municipality to conduct Lottery Schemes?:     Yes             No

If yes, please list municipalities: \_\_\_\_\_

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**PART 6**

Has your organization ever had a lottery licence revoked or refused?  Yes             No

If yes, please list municipalities that issued the revocation: \_\_\_\_\_

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For what type of lottery?            Bingo            Raffle            Bazaar            Break Open Tickets

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**PART 7**

The designated member of the organization who will be responsible for keeping and maintaining records of all financial transactions pertaining to the licensed lottery activities is:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

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Phone: \_\_\_\_\_                      Fax: \_\_\_\_\_

Email address: \_\_\_\_\_

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## **PART 8      LOTTERY TRUST ACCOUNT**

**Please Note:** Upon approval of eligibility, you will be required to open a lottery trust account and submit a copy of a cheque, bank statement or other such documents proving such account is a lottery trust account.

As per Section 3.6.1 of the Lottery Licensing Policy Manual, each organization must:  
*Open and maintain a separate lottery trust account designated as a trust account by the branch of a recognized financial institution, in the Province of Ontario. The designated lottery trust account must be in Canadian funds.*

**Each lottery trust account(s) must:**

- *Be a chequing account (cheques must state that it is a trust account on the face of the cheques);*
- *Require at least 2 authorizing signatures;*
- *Be held in the name of the licensee, in trust;*
- *Have duplicate deposit slips, with one copy kept for the licensee's records;*
- *Provide monthly statements;*
- *Include either the return of all cheques with the monthly statements or the return of electronically scanned images of the front & back of each cancelled cheque with the monthly statements*
- *Trust account must be stated on the face of the cheques*

**Name of Financial Institution:** \_\_\_\_\_

**Address of Financial Institution:** \_\_\_\_\_

**Your organization's financial year-end date is:** \_\_\_\_\_

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## **PART 9**

***This part applies only to those organizations wishing to conduct Bingo Lottery Schemes***

**Definition of Bona Fide Member:**

*"A member of the eligible organization in good standing, who has activities within the organization beyond conducting lottery events. "Members of convenience" whose only activity is to assist at bingo events are not considered to be bona fide members."*

**How many persons comprise your bona fide membership:** \_\_\_\_\_

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**PART 10**

**Three Principal Officers must complete the information below**

*We the undersigned, declare that all information provided in and with this statement is factual and correct.*

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*Printed Name of Principal Officer #1*

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*Printed Name of Principal Officer #2*

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*Signature of Principal Officer #1*

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*Signature of Principal Officer #2*

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*Title*

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*Title*

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*Email Address*

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*Email Address*

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*Phone Number*

---

*Phone Number*

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*Printed Name of Principal Officer #3*

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*Signature of Principal Officer #3*

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*Title*

---

*Email Address*

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*Phone Number*