



Ticket Lottery Guidelines

For the purpose of this document "Division" means Alcohol, Gaming, Fuel & Tobacco Division of the Office of Service Nova Scotia.

TICKET LOTTERY GUIDELINES

Application requirements for a ticket lottery license.

Application forms are available at either the Dartmouth or Sydney office of the Alcohol, Gaming, Fuel & Tobacco Division or at any Access Nova Scotia office. A minimum of 10 business days is required by the Alcohol, Gaming, Fuel & Tobacco Division to process applications for lotteries. Consider this time frame in planning your ticket lottery project as the assigned lottery license number must appear on all lottery tickets printed.

An application for a ticket lottery license whose prize value is \$4,000.00 or less may also require additional data supporting the charitable status of your organization. These applications may require additional time for processing.

An application for a ticket lottery license whose prize value is \$4,000.01 or more may also require:

- a) additional data supporting the charitable status of your organization,
- b) a budget for the current 12 month fiscal or calendar year indicating how resources will be acquired and dispersed,
- c) an acceptable financial guarantee in the total amount of the prizes to be awarded plus any applicable taxes which will be returned to your organization on delivery of all advertised prizes to winners,
- d) invoices, bill of sale or purchase and sale agreement for any prize(s), and
- e) copy of the proposed lottery ticket and copies of any proposed advertising.

Schedule of draw dates.

The conducting of the draw is an integral part of the integrity of any lottery. A ticket lottery licensee is obligated to conduct the draw on the advertised date as printed on the ticket and announce the winning ticket number(s).

Under certain circumstances the Division may approve an extension of a draw date should the licensee bring forward in good faith, an acceptable reason for the request. Written authorization from the Division is required before initiating any draw date change. The Division may impose a condition(s) on a license when considering a draw date change. Extension requests should be submitted to the Division one month prior to the scheduled draw date.

Cancellation of Ticket Lottery Licenses.

The issuing of a Ticket Lottery license is a privilege and with it are inherent obligations for the mutual protection of both your organization and the public. A ticket lottery license can be suspended or revoked under, but not limited to, the following circumstances, the licensee has an obligation to ensure that the integrity of the winner selection process is maintained. If the Division has reasonable and probable grounds that the licensee is not fulfilling this responsibility, the ticket lottery license authorizing the draw may be suspended or revoked.

Advertising and promotion for ticket lotteries.

The ticket lottery license issued by the Division only authorizes the conduct and management of a lottery within the Province of Nova Scotia. Therefore, only provincial or local advertising media are sanctioned for use by your organization.

Your organization is expected to use the following guidelines in the advertising and promotion of its lottery:

1. print advertisements must contain the following:
 - a) name of the licensee conducting the ticket lottery,
 - b) location, date and time of the draw, including any cut-off dates and draw dates for early bird prizes,
 - c) a description and value of the prize(s) to be awarded,
 - d) the purchase price of each ticket or group of tickets, and
 - e) the ticket license number issued to your organization.
2. broadcast advertisements must state the following:
 - a) the name of the licensee, and
 - b) that approval has been granted by *The Alcohol, Gaming, Fuel & Tobacco Division*.
3. mail order forms:
 - a) this method of selling tickets is permitted within the boundaries of Nova Scotia.
 - b) the mail order form must display the lottery license number granted by the Division.
 - c) mail order forms cannot contain articles that would be cut and used by the purchaser to participate in the draw.

Please be advised that advertising and promotion of a lottery may be limited to a geographical area described in the license granted.

Your organization, if requested to do so, should be prepared to supply samples to the Division of any advertising and promotional materials used in the promotion of your lottery and the sale of tickets for that lottery.

In addition to these Guidelines, your organization is expected to comply with all Ticket Lottery Regulations and Terms and Conditions attached to the license by the Division.

Further information regarding ticket lottery licenses can be obtained by contacting either:

Alcohol, Gaming, Fuel & Tobacco Division
780 Windmill Road
2nd Floor, Torrington Place
P.O. Box 545
Dartmouth, N.S. B2Y 3Y8
Tel: (902) 424-6160
Fax: (902) 424-4942

Alcohol, Gaming, Fuel & Tobacco Division
1030 Upper Prince Street, Suite 1
Sydney, NS B1P 5P6
Tel: (902)563-3494
Fax:(902) 563-3430

or visiting our Web Page At

<http://novascotia.ca/sns/access/alcohol-gaming.asp>

TERMS AND CONDITIONS OF LICENSE

When a ticket lottery license is obtained by an organization (the licensee), it becomes responsible for the overall integrity of the conduct of that lottery. In general terms, the licensee will conduct the lottery in accordance with the information supplied on the application and approved by the Division. *Once the first ticket is sold in any lottery, that lottery should continue and the prize(s) awarded. If extenuating circumstances are warranted, at full discretion of the Division, a ticket lottery scheme may be extended and/or cancelled.*

Responsibilities of your Organization

1. The licensee shall establish rules, consistent with the terms and conditions of the license, governing the conduct of the lottery and the awarding of the prize(s), which shall be approved by the Division and made available to ticket purchasers
2. The licensee shall designate at least two (2) elected members of the organization who have attained the age of nineteen (19) to conduct and manage all aspects of the ticket lottery.
3. Those two(2) members will be responsible for such items as:
 - a) keeping all required records and the depositing of all monies into the designated lottery trust account and the recording of all tickets,
 - b) completing and filing the required financial report on the results of the lottery,
 - c) showing proof of license at any time should they be requested to do so.

Ticket Requirements

1. The licensee is to print only the number of tickets approved in its application and must ensure consecutive numbering. The tickets will be *printed in two parts* and shall contain the following information unless otherwise approved:
 - a) the Purchasers part:
 - i) the name of the licensee,
 - ii) the location(s), date(s), and time(s) of draw(s),
 - iii) a description of the prizes and their value(s) to be awarded,
 - iv) the price of each ticket and groups of tickets,
 - v) the specific number of the ticket and the total number of tickets printed, and,
 - vi) the ticket lottery license number.
 - b) the Organizations part:
 - i) name, address and telephone number of the ticket purchaser,
 - ii) the specific ticket number.
2. If tickets are discounted from the regular price (i.e.\$1.00 each or 3 for \$2.00), this must be identified on the ticket. Tickets which sell for \$5.00 or more may be discounted provided separate and distinct tickets are printed displaying selling price.
3. The licensee will supply a copy of the printed ticket to the Division with the financial report.
4. Where prizes are donated the donor name, logo or company name may appear on the ticket provided the name of the licensee is more prominent. In addition, lottery tickets shall not bear any coupon, promotional or advertising material unless it is promoting the licensee and approved by the Division.
5. Only those tickets which have been paid for and or verified as paid for will be eligible to be entered into the draw.
6. Random Number Generators cannot be used to choose the winner(s) for Lottery's using printed tickets without prior approval from AGFT.

Prizes

1. The licensee is responsible for determining the winner(s) of the lottery as set out in the application on the prescribed date; the publicizing of the winner(s); and the awarding of all prizes as advertised. Should a winner not come forward, every reasonable effort is to be made to contact the prize winner(s).
2. Only the prize(s) as described in the application shall be awarded. Any prize(s) not claimed are to be placed in safe keeping for 90 days from the date of draw. Should the prize(s) not be claimed at the end of that period, a second draw is to be held.
3. The value of the prize(s) shall include any duty, taxes or other related costs and shall be free of any lien(s).

Proceeds and Expenses

1. All prizes and expenses incurred as a result of conducting a lottery shall be deducted and paid from gross receipts of ticket sale. Each expense should be individually calculated and paid separately by cheque drawn on the licensee's account. The amount incurred for expenses may be limited by the Division. All of the net proceeds shall then be used for charitable or religious purposes within the Province of Nova Scotia as approved in the license application.
2. The licensee at any time may have to demonstrate to the Division how these net proceeds have been dispersed should they be asked to do so.
3. Ticket sellers may be paid a sales commission providing the amount or percentage is identified and approved by the Division (commissions may be paid in cash provided they are supported by receipts).

Books and Records

All accounting books and records relative to the conduct of a lottery are subject at any time to an audit by the Alcohol, Gaming, Fuel & Tobacco Division. If requested to do so, your organization is obligated to provide unencumbered access by officers appointed by the Division to all books and records related to the conduct of a lottery.

1. The licensee is to maintain books, records and other documents in support of all financial reports or statements for a period of no less than three(3) years following the date of the lottery.
2. A record is to be kept by the licensee showing the distribution of tickets, the name(s) of the sellers, the number of stubs returned, cash and unsold tickets. All tickets and cash must be reconciled prior to the draw date for prize(s). This documentation is to be kept on file for a period of three(3) years and available to the Division if so requested.
3. The use of the word "donation" does not alter the fact that consideration is being given for a chance to win a prize. Accordingly, this type of lottery constitutes a lottery scheme under 206(1) of the Criminal Code of Canada.

Banking and Finances

The licensee may be required to open and maintain designated lottery trust accounts to administer all funds related to the conduct of lottery events. For ease of convenience to your organization, there are two options:

- a) opening and maintaining one designated lottery trust account to administer all lotteries conducted by your organization; or,
- b) opening and maintaining separate designated lottery trust accounts for each type of lottery conducted by your organization.

In either of the above, the name of the account is to be the licensee, and the account is to have cheque writing privileges with monthly statements and supporting cheques or other bank documentation. Any interest accrued to such accounts is to be used for the charitable purpose of the license.

1. Relative to the lottery trust account, your organization is responsible to:
 - a) appoint a minimum of two organization members as signing officers to administer the account,
 - b) deposit all monies as soon as practical to do so derived from the operation of the lottery,

- c) ensure all withdrawals are made by cheque, and that cheques are written only for the payment of expenses related to the lottery,
- d) ensure *no deposits* are made to the account(s) from any other source other than those accrued from the running of the lottery event,
- e) ensure there are *no transfer of funds* either to or from the lottery trust account(s) and the general account(s) of the organization, and,
- f) ensure that the lottery trust account remains open until all profits have been used by the charity.

Reporting Requirements

To conclude your lottery ticket event, your organization completes on the prescribed form and files with the Division, the financial report outlining the results of your lottery and the list of winners. This should be completed within the prescribed time period in accordance with the Ticket Lottery Regulations. Should the Division require any additional information, your organization will be contacted.

The Division hopes your lottery is successful with its objective to raise funds for your charity. If our staff can be of further assistance, please contact our Licensing staff in Dartmouth at (902)424-6160 and in Dartmouth at (902)563-3495 or toll free at (877)565-0556. Email: agdlicense@novascotia.ca

50/50 DRAWS

A 50/50 draw is a ticket lottery where the prize is one half the value of all tickets sold. All ticket stubs are placed in a container, the first stub drawn determines the winner. Lottery rules must specify whether the holder of a winning ticket is required to be in attendance at the time and place of the draw to claim the prize. Any administrative costs associated with the conduct of a 50/50 lottery must be paid from the licensee's share of the proceeds.

CALENDAR DRAW LOTTERY

In a calendar draw the ticket purchaser buys a calendar on which prizes are identified for a series of draws. The winner is determined by matching the number on the calendar with a number drawn from a container for the prize on that specific date. A winning calendar number may be placed back in the container for subsequent draws or it may be eliminated from future draws, the rules must state which format will apply. The rules for winning must be clearly stated on the application and must be printed on the calendar itself.

Advertising of the lottery can only be done by the licensed charitable or religious organization. No commercial advertising can be made on the lottery calendars unless prior approval has been obtained from the Division and the licensee.

ELIMINATION DRAWS

In an elimination draw, all ticket stubs are placed in a container. The stubs are then pulled out one at a time. The last stub drawn is the grand prize winner. Prizes of lesser value may be awarded periodically throughout the draw.

SPORTS LOTTERIES

A "sports lottery" is a ticket lottery based on the results of a series of sporting events. The participant selects their choice of winner from a sporting schedule. The winner is the person whose ticket contains the most correct selections.

A "sports lottery" based on the official results of athletes participating in a series of sporting events may be licensed, and the selection of the players for each purchaser of a chance may be made by random selection or made on the basis of skill or knowledge of the ability of the athletes participating in the series of sporting events.

RIVER RACES

A River Race is a lottery in which participants buy a numbered ticket which corresponds to a numbered rubber duck or other substituted item. All the items are placed in a river. The winner is the holder of the ticket number corresponding to the number on the duck or other item which crosses the finish line first.

When reviewing the application consider the following:

- 1) A plan to account for control of tickets and items used to conduct the race must be prepared.
- 2) The licensee may be required to comply with Municipal land-use by-laws.

BESSIE LOTTERY

A Bessie Lottery is an event where a field has been divided into numbered squares. Participants then purchase tickets which correspond to the numbered squares. The cow is placed in the field and the winner is the ticket holder of the square where the cow patty lands.

ELECTRONIC LOTTERY

An electronic Lottery is a lottery that is run either online or is event based and tickets are sold through a handheld lottery device.

When making an application for an electronic Lottery please consider the following:

- 1) The Licensee must use an approved Ticket Lottery Supplier to run an Electronic Lottery. The list of approved suppliers can be obtained by contacting Alcohol, gaming, Fuel & Tobacco.
- 2) A signed contract between the Licensee and approved Ticket Lottery Supplier must be submitted with the application.
- 3) The use of a Random Number Generator (RNG) to determine the winner is allowed only if the RNG has been approved by Alcohol, Gaming, Fuel & Tobacco.

If you have a lottery application which does not fit within the above please discuss your proposal with staff.

RESTRICTIONS ON PRIZES CARS

AS PRIZES

Policies:

1. The licensee organization must award the vehicle free of any hidden costs.
2. The licensee may, with permission of the Alcohol, Gaming, Fuel & Tobacco Division, have the winner responsible for license and insurance costs, provided such conditions are fully disclosed and set forth on the ticket.
3. Car ticket lotteries will be considered only where the prize to be awarded is a new vehicle unless the vehicle falls into the policies dealing with Antique Cars as Prizes.
4. It is the licensee organization's responsibility to inform the consumer of the point of delivery of the prize(s).

Additional Information Requirements:

The following additional information must be submitted, prior to licensing consideration:

1. Dealer description of the type, model, and options of the car to be awarded and the total market retail value of the car including tax, freight, etc.

ANTIQUE CARS AS PRIZES

Policy:

The Organization must submit:

1. a certificate from two certified art/antique appraisers listing the appraised value of the vehicle and identifying it as an antique.

Additional Information Required:

1. proof that the vehicle is insured against theft, fire, etc.
2. a copy of the ownership certificate
3. certification that there are no liens on the automobile
4. statement as to the 'drivability' of the automobile (i.e. can the automobile be used for every day use) and a safety certificate
5. an indication of who will be responsible for taxes upon the transfer of title

WEAPONS AS PRIZES

GUNS

Policy:

Shotguns and rifles which may be reasonably used for hunting and sporting purposes may be licensed. In order to lawfully take possession of a firearm, including a shotgun or rifle, the individual must be the holder of a valid Possession and Acquisition Licence. Under the registration scheme, an applicant must

be over 16 years of age and meet a number of eligibility criteria in order to obtain a Firearms Acquisition Certificate ("FAC"); but must be 19 years of age to buy a lottery ticket. Thus, any winner of a gun which is a prize must be 19 or older and must be in possession of a valid FAC before the prize is turned over.

KNIVES

Policy:

Any knife in which the blade cannot be opened automatically by:

- a) a button;
- b) a spring loaded mechanism; or
- c) the use of gravity or centrifugal force,

will be licensed.

HOUSES AS PRIZES

With increasing frequency, the Alcohol, Gaming, Fuel & Tobacco Division is receiving requests from charitable and religious organizations wishing to conduct lotteries where the main prize to be awarded is a house. Groups should be well prepared and organized as stiff competition has the potential of inflicting a substantial loss for the licensee.

For the purpose of these guidelines, "house" includes cottage.

Policies

1. Only those applications which indicate that the main prize is a new home situated in the Province of Nova Scotia will be licensed.
2. Organizations conducting ticket lotteries which offer homes or land as prizes will be required to submit proof of title/deed.
3. Tickets shall be sold only to persons 19 years of age or over.
4. Independent appraisal from a licensed real estate agency verifying the value of the home.

Additional Information Requirements

1. An accepted Offer to Purchase/Agreement of Purchase and Sale for the property to be raffled including any addenda agreed to by the builder. Or, where the house is being 'donated', a legal document is required showing the applicant organization as the legal owner.
2. An indication of whether the house has been constructed and if the organization shall have access to it for the purpose of selling tickets. Where the house has not been completed, the closing date must be indicated. The builder's addendum or appendix with a complete description of the home and all items included must be attached.
3. Total projected expenses (administrative, accounting, advertising, etc.) individually detailed.
4. The manner in which ticket sales will be undertaken. Include names and addresses of other charities distributing tickets on behalf of the licensee.
5. Requisite building approvals.
6. Method to be employed for the return of all ticket stubs to the licensee.
7. A facsimile of the proposed lottery ticket. Will a direct mail application form be used? If so, a

sample is required.

8. A sample of any promotional material which will be used in conjunction with the lottery.
9. Name of the accounting and/or law firm which will help oversee the draw.
10. Proof that the house is insured against fire, vandalism, etc.

SCRATCH AND WIN Scratch and Win lotteries are not permitted and will not be licensed.

PROHIBITED PRIZES:

Alcoholic Beverages
Live Animals
Used Vehicles