

9.1.0 INTRODUCTION

Bingo is a game of chance where players are awarded a prize or prizes for being the first to complete a specified arrangement of numbers on bingo paper, based on numbers selected at random.

This chapter contains the policies and procedures for licensing bingo events. The Registrar issues certain types of bingo licences and municipalities issue others.

For information on Charitable Gaming Events conducted in Pooling Halls please refer to Chapter 10 “Charitable Gaming Event – In Pooling Bingo Halls”.

Currently, the following types of bingo events may be licensed in Ontario:

- Regular Bingo
- Super Jackpot Bingo
- Special Bingo
- Merchandise Bingo
- Media Bingo
- Decision Bingo
- Table Board Bingo
- Progressive Bingo

The above list is subject to change.

If a municipal official receives an application for a bingo game that he or she is not familiar with, the official must first ensure that the bingo game in question is one which is currently approved for licensing by the Registrar before issuing a licence.

Each type of licensed lottery is governed by a specific set of rules known as terms and conditions. From time-to-time, the terms and conditions may change and the legislation may be amended. Anyone to whom these policies apply is responsible for obtaining copies of any amendments to the legislation and any new terms and conditions, standards, directives and information bulletins as they are issued, in order to keep up-to-date with all of the policies set by the Registrar. The policies are

available on the AGCO website. Please contact the AGCO for more information on obtaining the most up-to-date documents.

9.1.1 AUTHORITY TO LICENSE

9.1.1 (a) Provincial Licensing Authority

The Order-in-Council gives the Registrar sole authority to issue lottery licences allowing eligible organizations to manage and conduct:

- bingo events conducted in conjunction with other licensed lottery events;
- bingo events with prize boards over \$5,500;
- bingo events conducted in an unorganized territory, on Crown lands or in some First Nations communities; and
- bingo events where a prize or prizes not awarded at one event may be added to the amount of the prize to be awarded at a subsequent event or events.

9.1.1 (b) Municipal Licensing Authority

The Order-in-Council authorizes municipalities to issue licences permitting eligible organizations to conduct Regular Bingo games with maximum prize boards of up to \$5,500.

9.1.2 BINGO HALL REGISTRATION

The Registrar has established criteria and procedures for opening, upgrading, relocating and reopening bingo halls. The Criteria and Procedures are available through the AGCO and may be downloaded from the website at www.agco.on.ca.

9.1.2 (a) Bingo Locations that Must be Registered

The *Gaming Control Act, 1992*, governs the registration of bingo hall operators. It establishes the following classes of bingo halls:

Class A A commercially operated, for-profit bingo hall, where four or more bingo events are conducted in any seven-day period.

Class B A bingo hall operated on a non-profit basis by an organization which is eligible for lottery licensing and where four or more bingo events are conducted in any seven-day period.

Class C A bingo hall where no more than three events are conducted in any seven-day period.

9.1.2 (a) (i) Bingo Locations that May require Registration

Licensees that rent out their premises and/or equipment to another licensee, may require registration as prescribed by Regulation.

9.1.3 (b) Bingo Locations Exempt from Registration

Registration is not required in the following circumstances:

1. A hall operator does not require registration if no more than one bingo event is conducted in the hall during any seven-day period.
2. Licensees that conduct bingo events in their own premises, either owned or rented, do not require registration, provided that they meet the requirements prescribed by Regulation.

9.2.1 GENERAL BINGO LICENSING POLICIES

1. A charitable organization must submit its application to the local municipality, regardless of the type of bingo game it wishes to conduct and the amount of the prize board.
2. An eligible charitable organization may be licensed to conduct more than one Regular Bingo event per day. A separate event time, a separate prize board and separate bingo paper must be sold for each event listed on the licence.
3. Licensees may not combine prize boards from more than one event, unless otherwise approved by the Registrar.
4. Licensees must sell bingo paper only on the day of the event. The paper must be used for the event for which it is sold. Bingo paper must be identified by event, to ensure that unused paper is not used at a later event. The licensee must set up audit procedures to account for all sales and unsold bingo paper per event.
5. Licensees must record and account for all cash transactions, including bingo paper sold and prizes awarded.
6. There is no minimum time requirement between bingo events, provided the licensee meets the terms and conditions and all policy requirements for the bingo licence, and maintains a proper audit trail for each event.
7. All signing officers and designated members-in-charge of lottery events must be bona fide members of the organization, and must be at least 18 years of age.
8. A minimum of three (3) designated bona fide members must be present and in charge of the management and conduct of the event.
9. Game schedules may be made up of different games and prize payouts. Schedules may include regular and special games, including jackpot games licensed by municipalities and games licensed by the Registrar, such as Super Jackpot and Progressive Bingo games.

10. Game schedules must include the starting and ending times for each session in which the licensed Regular Bingo event, and any events to be conducted in conjunction with it, will be held. The maximum prize payouts for each game must be included as well.
11. Licensees may conduct and manage a variable bingo game up to the maximum licensed prize board. If a licensee awards multiple prizes in one game, the prize total for the game cannot exceed the maximum of the Regular Bingo event prize board.
12. Licensees may offer jackpot games as part of the Regular Bingo event prize board. The jackpot prize may be awarded within a set designated number of calls. However, if the jackpot is not won within the designated number of calls, the consolation prize must be awarded. For jackpot games, neither the number nor prize amount can be progressive in nature.
13. The Registrar will not license provincial games held in conjunction with a Regular Bingo event where the jackpot is 100% of the prize board.
14. The licensee must announce all prize payouts as approved on the game schedule, before the game begins.
15. The licensee must establish a policy for large numbered or Braille bingo paper for the visually impaired. The Registrar will not require manufacturers of this bingo paper to be registered under the *Gaming Control Act, 1992* unless they are involved in other activities requiring registration.
16. Break Open Tickets may be awarded as prizes for a Regular Bingo event provided the following conditions are met:
 - the prize value must be based on the purchase price of the tickets;
 - the cash value of the tickets to be awarded as prizes must be shown on the game schedule and approved by the licensing authority;

- Break Open Tickets may only be awarded as bingo prizes to the winner of a Regular Bingo game, and not as the result of a draw or any other means of declaring a winner;
 - the licensee must establish a procedure, approved by the licensing authority, to determine how prizes will be awarded to multiple winners;
 - any advertising that includes Break Open Tickets must be forwarded to the licensing authority for prior approval; and
 - the licensee must follow all other policies and the Terms and Conditions for Regular Bingo events.
17. A licensee may charge a reduced price for bingo paper, provided the discount is listed on the game schedule and the licensing authority approves the pricing proposal. The licensee must submit its proposed discounts with its game schedule. The licensee may also apply to sell two sheets of paper with six sets of bingo numbers for the usual price of a single sheet with twelve sets. The licensee must monitor all discounts and provide a clear audit trail.
18. Bingo licences must not be issued for bingo events to be conducted and managed on any conveyance that moves or is capable of moving, including but not limited to boats, trains and airplanes.
19. When licensed to be conducted in a bingo hall, bingo may not be played outdoors.

9.2.2 CONFLICT OF INTEREST GUIDELINES

Bingo licensees must comply with the following conflict of interest guidelines, in addition to the general conflict of interest guidelines outlined in section 3.5.3:

1. Licensees may not permit their bona fide members or persons acting as runners, cashiers or in other capacities for the licensed organization to play bingo while they are conducting the bingo, or play any other games held in conjunction with their event.
2. Bingo hall employees who are involved in the conduct of the bingo events, whether they are registered or not, may not play bingo at that hall at any time.
3. Members of a licensee's board of directors, including a Hall Charities Association, may not personally benefit or profit in any way from a lottery event conducted and managed by the licensee or play bingo at that hall at any time.
4. Bingo hall employees and managers cannot act as bona fide members for the conduct of any licensed bingo event or a Break Open Ticket lottery held in conjunction with the bingo event.

9.3.1 MUNICIPAL LICENSING POLICIES

The following policies apply to bingo licences issued by municipalities:

1. A municipal council may issue a licence with maximum prize boards of up to \$5,500 where the applicant is eligible and it is in the best interest of the community.
2. A municipal council is not obliged to issue a licence and may take into account factors such as:
 - the number of licences already issued;
 - existing playing locations;
 - existing playing time slots;
 - the applicant's ability to conduct and manage the event and to raise sufficient funds;
 - the applicant's financial need; and
 - community benefit.
3. A municipal council may attach additional Terms and Conditions to the licences it issues, provided that they do not conflict with the terms and conditions and the policies established by the Registrar.
4. Traditionally, eligible organizations have been limited to up to 52 licensed bingo events per year. However, a municipal council has the authority to set the number at greater or lesser maximum bingo events per year.
5. An eligible charitable organization may be licensed in more than one municipality, if none of the licences run during the same licensing period. The organization must notify each municipality of its licences in other municipalities.

9.3.2 MUNICIPALLY LICENSED BINGOS

This section contains information on municipally issued licences for the following types of bingo games and events:

- (a) Regular Bingo
- (b) Merchandise Bingo
- (c) Loonie Pot Bingo
- (d) Decision Bingo
- (e) Table Board Bingo
- (f) Media Bingo

See section 5.2.1 (j) for information on “Bossy Bingo/Cow Patty Bingo”.

9.3.2 (a) Regular Bingo

Pursuant to the Order-in-Council, a municipality may issue licences allowing eligible charitable organizations to conduct Regular Bingo events with prize boards that do not exceed \$5,500.

The licensee’s game schedule may include any combination of fixed prize and variable prize games. Variable prize games must show a minimum and maximum prize payout for each game on the schedule.

If all the games on a licensee’s schedule are variable prize games, the maximum prizes to be awarded cannot exceed 60% of gross sales for each game. The total prizes paid out can never exceed the licensed prize board.

9.3.2 (b) Merchandise Bingo

Merchandise Bingo is a bingo game or event where the prize board consists of items of merchandise. An eligible organization may be licensed to conduct Merchandise Bingo as a Regular Bingo event, as part of a Regular Bingo event or at a “black tie event”.

At a “black tie event”, participants play by invitation only. They pay a fixed amount to participate in the event. The entrance fee covers the cost of playing bingo.

Boards of designated Fairs or Exhibitions, or concession operators at designated fairs or exhibitions, may apply to the Registrar to conduct Merchandise Bingo events during the fair or exhibition.

See also Chapter 8 “Fair or Exhibition Gaming Event” for further information.

9.3.2 (b) (i) Merchandise Bingo Licensing Policies

The following licensing policies apply to Merchandise Bingo games conducted as a Regular Bingo event, as part of a Regular Bingo event or at a “black tie event”:

1. The retail value (including taxes and duties) of the merchandise offered at Merchandise Bingo events cannot exceed \$5,500.
2. A receipt or invoice is required for any prize with a retail value of \$500 or more, including applicable taxes.
3. The prizes must be awarded without encumbrances of any kind. For example, the prizes cannot be leased.
4. If two or more players have a winning combination on the same number called, the game must continue to a full card. If the game is still tied after a full card has been called, the tied participants must be given new cards to play a supplementary game. The supplementary game must be conducted in the same manner as the tied game, until a winner is declared. These rules must be clearly announced before the game begins.
5. An organization may be licensed for only one Merchandise Bingo event at a time.

9.3.2 (c) Loonie Pot Bingo

A Loonie Pot Bingo is a special, variable prize game within a Regular Bingo game schedule. Bingo patrons pay a dollar to have their bingo paper stamped for the designated Loonie Pot Bingo game. Before the game begins, a number is selected, announced and put back into the machine. If a player with stamped bingo paper calls bingo and their winning number arrangement contains the pre-selected number, they also win the Loonie Pot Bingo prize.

9.3.2 (c) (i) Loonie Pot Bingo Licensing

The following licensing policies apply to Loonie Pot Bingo:

1. The maximum prize payout is \$100. Any surplus collected for the Loonie Pot Bingo prize becomes part of the net proceeds to be used for the charitable objects or purposes as approved on the application for licence.
2. The licensee must determine which game will be played for the regular game prize plus the Loonie Pot Bingo prize, and must have the game approved by the licensing authority as part of the game schedule.
3. The Loonie Pot Bingo prize cannot be carried over to another bingo event. The licensee must establish a procedure for awarding the Loonie Pot, if the winner of the designated game is not eligible for the Loonie Pot prize.
4. The Loonie Pot Bingo prize must be part of the up to \$5,500 prize board for the regular game schedule.
5. Only one Loonie Pot Bingo game is allowed per Regular Bingo event.
6. The Terms and Conditions for the Regular Bingo and the general licensing policies regarding variable games apply to the Loonie Pot Bingo game.

See sections 9.4.1 (g) and 9.4.2 (e) for information on the “Loonie Progressive Game” licensed by the Registrar.

9.3.2 (d) Decision Bingo

Decision Bingo differs from Regular Bingo in two ways:

- players use chips to purchase bingo paper, and
- during each game, players have the option of ending play or continuing to play by using chips to ante.

Players purchase chips at \$0.25 each for (a) buying regular bingo paper in single strips and/or books for an amount authorized by the licensing authority, and (b) upping the ante.

Before the start of each game, the caller announces the number of cards in play. After three numbers have been called, the players must decide whether or not to continue playing. If a player continues, the player must ante one chip (\$0.25) after each three numbers have been called. The game continues until a one-line bingo winner is declared. The prize awarded is the total value of the antes received during the game, up to a limit of \$100.

9.3.2 (d) (i) Decision Bingo Licensing

The following licensing policies apply to Decision Bingo:

1. Municipalities may license Decision Bingo Events under a Regular Bingo licence, for prize boards up to \$5,500.
2. Decision Bingo may only be played on a program made up entirely of Decision Bingo games.
3. The municipality must issue a licence for a specific time period and must indicate the maximum number of games allowed during that period.
4. Applicants for Decision Bingo licences must submit all documents required for Regular Bingo events.

5. Municipalities may charge a Decision Bingo licence fee of up to 3% of the maximum prizes to be awarded.
6. Decision Bingo may not be conducted in conjunction with any other bingo event.

9.3.2 (d) (ii) Decision Bingo Terms and Conditions

In addition to the Regular Bingo reporting requirements, the additional Terms and Conditions require that Decision Bingo financial reports include:

- the number of players for each game;
- the number of cards sold for each game; and
- the amount of antes paid for each game.

9.3.2 (e) Table Board Bingo

Table Board Bingo, also known as shutter board bingo, is a bingo game played on a mechanical Table Board Bingo device. This device contains permanent bingo cards and shutters. A player marks a number by covering it with a shutter. The prize amount is variable and is determined by the number of boards in play.

Table Board Bingo may be licensed in one of three ways:

1. Where the total prize board for the event does not exceed \$5,500, a municipality may license an eligible organization to conduct Table Board Bingo games:
 - as a Regular Bingo event, or
 - as part of a Regular Bingo event.
2. The Registrar may license Hall Charities Associations to conduct Table Board Bingo games, in conjunction with a licensed Regular Bingo event. The Table Board Bingo prizes are in addition to the maximum Regular Bingo prize board.

3. The Registrar may license Hall Charities Associations to conduct Table Board Bingo games in conjunction with Special (Monster) Bingo events. The Table Board Bingo prizes are in addition to the Special (Monster) Bingo prize board.

See section 9.4.1 (e) for information on “Table Board Bingo” licences issued by the Registrar.

9.3.2 (e) (i) Municipal Table Board Bingo Licensing

The following policies apply to municipally issued licences for Regular Bingo events that are made up entirely of Table Board Bingo or include Table Board Bingo games as part of the Regular Bingo prize board:

1. No limit is set on the number of Table Board Bingo games that may be played within a licensed event, provided that the prizes awarded do not exceed the licensed prize amount.
2. If a Regular Bingo event is made up entirely of Table Board Bingo games, the prizes paid out cannot exceed 60% of the gross proceeds for the event, up to a maximum of \$5,500. If the municipality has set a lower prize limit for Regular Bingo events, the prizes cannot exceed that amount.
3. Prize amounts for Table Board Bingo games must be based on a percentage of the revenue collected for each game. While the percentage may vary from game to game, the Table Board Bingo prizes paid out cannot exceed 60% of the total revenues collected for the licensed bingo event. The percentage payout for the Table Board Bingo game must be noted on the game schedule and in the licence application.
4. A Table Board Bingo event must be conducted during the time appearing on the licence.
5. A licensee may not hold a Super Jackpot game in conjunction with a Regular Bingo event made up entirely of Table Board Bingo games.

6. All other policies for Regular Bingo events licensed by a municipality, as outlined in section 9.3.1, apply to Table Board Bingo games.

9.3.2 (f) Media Bingo

Pursuant to the Order-in-Council, a municipality may issue licences allowing eligible organizations to conduct a Media Bingo event with prize boards that do not exceed \$5,500.

Media Bingo is operated through the public media including radio, newspaper, or television. Media Bingos differ from regular bingos in that the licensee may only sell bingo cards which have a clearly visible, consecutively numbered serial number. This is for tracking purposes as bingo cards are usually distributed to local merchants who sell the bingo cards on behalf of the licensee organization. The licence number must appear on all Media Bingo cards.

Persons who have covered the specified arrangement of numbers required to win would call a local telephone number to register their ‘bingo’ and provide their card to the licensee in order to collect their prize.

Radio Bingo

Games may be aired on the radio in one of two ways:

1. On a ½ to 1 hour program, where numbers are called and all games are completed during this time period; or
2. may be run for a period of 2 to 4 weeks on the radio where a few numbers are drawn and called daily at a specified time (for example 3 numbers a day are called until a winner is declared).

Newspaper Bingo

The bingo numbers are published in a local newspaper and run for a period of time,

usually 2 to 4 weeks in length, with a few called numbers being published each day. The game proceeds until a winner has been declared.

Television Bingo

This type of bingo is usually aired over a local cable television station in a ½ hour or hour-long program. The winner is the first person to phone in and claim a bingo during the broadcast.

9.3.2 (f) (i) Media Bingo Licensing Policies

The following licensing policies apply to Media Bingo:

1. Municipalities may license Media Bingo events for prize boards of up to \$5,500.
2. An eligible organization may be licensed for only one Media Bingo event at a time and the licence cannot be issued for more than 6 months.
3. If a licensee wishes to sell its bingo cards in municipalities outside of the one where the bingo is being managed and conducted, the licensee must obtain a letter of approval from each municipality in which it proposes to sell bingo cards.
4. Licensees must conduct the Media Bingo in accordance with the Media Bingo Licence Terms and Conditions.

9.3.3 MUNICIPAL LICENSING PROCEDURES

Applicants must submit their bingo licence applications to the municipality in which the bingo event is to be held. The following documents must be submitted:

1. A completed application on a form issued by the Registrar.
2. The licence fee. A municipality may set its own lottery licensing fee structure, provided the total fees charged do not exceed the amount prescribed by the Registrar.
3. A game schedule outlining:
 - bingo games to be played;
 - the winning arrangement of numbers for each game;
 - the value of the prize for each game;
 - the minimum and maximum payouts for variable prize games, also known as “share the wealth” games, including any Table Board Bingo games;
 - the set percentage used to calculate the variable prizes for the individual Table Board Bingo games;
 - the price of the bingo paper, if applicable;
 - the total value of all prizes offered for the bingo event;
 - the name and address of the premises where the bingo event is to be held (**see also section 9.1.2 “Bingo Hall Registration” for further information**);
 - any special purchase provisions for used bingo paper exchanged for new paper (e.g., \$0.25 instead of \$0.50); and
 - the starting and ending time for the time slot for the licensed Regular Bingo event, and any bingo games played in conjunction with it, including the fixed time slot for any Table Board Bingo games.

9.4.1 BINGOS LICENSED BY THE REGISTRAR

This section contains information on licences issued by the Registrar for the following types of games and events:

- (a) Break Open Ticket events run in conjunction with bingo events, including Seal Card Games and Bingo Event Ticket Games;
- (b) Regular Bingo events conducted in unorganized territories, in some First Nations communities and on Crown Lands;
- (c) Special Bingo events;
- (d) Super Jackpot Bingo games;
- (e) Table Board Bingo events held in conjunction with Regular or Special Bingo events;
- (f) Progressive Bingo Game events;
- (g) Loonie Progressive Game events; and
- (h) Charitable Gaming events. **(Please see Chapter 10 “Charitable Gaming Events – in Pooling Bingo Halls” for further information.)**

9.4.1 (a) Break Open Ticket Events Run in Conjunction with Bingo Events

The Registrar has the sole authority to issue a licence for a Break Open Ticket event to be held in conjunction with another licensed gaming event. Even if the municipality licensed the related bingo event, only the Registrar may issue the licence for the Break Open Ticket event.

The municipality may only licence a Break Open Ticket event if it is not held in conjunction with another gaming event.

Please see Chapter 7 “Break Open Tickets” for further information.

9.4.1 (b) Regular Bingo Events Conducted in Unorganized Territories, in some First Nations Communities and on Crown Lands.

The Registrar licenses all Regular Bingo events to be conducted in unorganized territories, on Crown lands and in First Nations communities (except those who exercise licensing authority under an Order-in-Council). Applicants must follow the application procedures for obtaining a licence issued by the Registrar.

9.4.1 (c) Special Bingo Events (Monster Bingos)

The following policies apply only to Special (Monster) Bingo events:

1. A Special Bingo event is any bingo event, including Merchandise Bingo that has a prize board in excess of \$5,500.
2. Only the Registrar may issue a lottery licence for a Special Bingo event. When considering an application, the Registrar takes marketplace conditions into consideration. Licences may only be issued three to four months before the event date.
3. Licences are limited to one licence per 30-day period, per 100-km radius. The 30-day period is not based on the calendar month.

EXCEPT

(a) Special Bingo events are limited to one licence per 15-days, per 30-km radius, in the following areas:

- Durham, York, Peel, Halton, Haldimand-Norfolk, Niagara, Hamilton-Wentworth (known as the Golden Horseshoe), and
- in the Ottawa-Carleton area, including the amalgamated municipalities of Kanata, Nepean, Ottawa, Vanier and Gloucester.

(b) Special Bingo events are limited to one licence per 15-days, per 15-km

- radius in Toronto.
4. Special Bingo events licensed in the Golden Horseshoe or Ottawa-Carleton region will not influence the licensing of events in the adjacent 100-km radius.
 5. To be eligible for a Special Bingo licence, an eligible charitable organization cannot have a Regular Bingo licence with event dates within three months (before and after) of the date of a Special Bingo event, regardless of where the Regular Bingo event is held.
 6. The licensee is permitted to sell tickets that allow customers to prepay for bingo paper before the date of the event.
 7. The Registrar may issue a licence permitting an eligible organization that does not normally conduct Regular Bingo to conduct and manage a Special Bingo event.
 8. No more than twelve (12) Special Bingo licences may be issued in each calendar year for events to be conducted and managed in one bingo hall.
 9. If the organization licensed to conduct the Special Bingo event agrees, the Hall Charities Association may conduct and manage bingo games for which it receives licences from the Registrar during the Special Bingo event.
 10. Once the Registrar approves a Special Bingo event date, it cannot be changed.
 11. The Registrar will authorize one event date per licence.
 12. The licensee must provide a letter of credit for all Special Bingo events where the prize board is \$10,000 or more. The letter of credit must have an expiry date of at least 45 days after the event date.
 13. The Registrar requires a minimum of 45 days to process an application for a Special Bingo event licence.

9.4.1 (d) Super Jackpot Bingo

Super Jackpot Bingo is a separately licensed bingo game that is part of a Regular Bingo event. The Super Jackpot Bingo prize is in addition to the Regular Bingo event prize board.

The Super Jackpot prize is awarded based on a set, increasing number of bingo numbers called at successive Super Jackpot games. A player must complete a full card in order to win the Super Jackpot prize. Fifty bingo numbers are called at the first Super Jackpot game. At each successive game, the number of bingo numbers called increases by one until the Super Jackpot game has been won.

The licensee must award a consolation prize when the Super Jackpot is not won within the designated number of bingo numbers called.

Once a Super Jackpot has been won, a new game begins at the next Super Jackpot game covered by the licence. If the Super Jackpot prize has not been won prior to the end of the licence period the prize will be carried forward to the new licence period. Licensees should apply for their new licence at least 45 days before the end of their current licence period, to ensure that a new licence can be issued before the current licence expires. If a licensee is conducting the last game in a licence period, and the licensee will not be obtaining another licence, the full Super Jackpot prize must be awarded.

The following policies apply to Super Jackpot Bingo games:

1. Only the Registrar may issue licences for Super Jackpot games.
2. All the charitable organizations at a non-pooling Class A or B bingo hall must form a Hall Charities Association to administer all the Super Jackpot licences for that bingo hall. The following policies apply to the Hall Charities Association in respect to the Super Jackpot licences:
 - A principal officer from each participating member organization of the Hall Charities Association must sign the Super Jackpot licence application;

- A licensee may not hold a Super Jackpot game in conjunction with a Regular Bingo event made up entirely of Table Board Bingo games.
- A Hall Charities Association may choose to conduct Super Jackpot games with multiple “horizontal” licences or a single “vertical licence”:
 - “Horizontal” licences allow licensees to offer different Super Jackpot prize boards in conjunction with Regular Bingo events. A “horizontal” licence limits a Super Jackpot prize to a single time slot per day. For example, a licensee could have one “horizontal” licence for a 2 p.m. slot and another licence for a 7 p.m. slot. If the jackpot is not won at the 2 p.m. slot, it must be carried over to the 2 p.m. time slot on the next day. Similarly, if the jackpot is not won at 7 p.m., it must be carried over to the next 7 p.m. time slot.

Example: Horizontal Super Jackpot Licences

A, B, C = Separate Horizontal Licences

= Number of Balls called in Super Jackpot Game

* = Super Jackpot Winner

	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
2 p.m.	A → (50#s)	A → (51#s)	A → (52#s)	A(Win)* (53#s)	A (New) → (50#s)	A → (51#s)	A (52#s)
7 p.m.	B → (50#s)	B → (51#s)	B → (52#s)	B → (53#s)	B → (54#s)	B*(Win) (55#s)	B(New) (50#s)
10 p.m.	C → (50#s)	C → (51#s)	C → (52#s)	C → (53#s)	C → (54#s)	C → (55#s)	C (56#s)

- A “vertical” licence allows licensees to offer Super Jackpot games only at Regular Bingo time slots that have the same Super Jackpot prize board. With a “vertical” licence, the Super Jackpot is carried over to the next time slot with the same prize board, until it is won. For example, it can be carried over from the 2 p.m. slot to the 7 p.m. slot, providing they have the same Super Jackpot prize board.

Example: Vertical Super Jackpot Licence

V = Vertical Super Jackpot Licence

= Number of Balls called in Super Jackpot Game

* = Super Jackpot Winner

	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
2 p.m.	V (50#s) ↓	V (53#s) ↓	V (Win)* (56#s) -	V (52#s) ↓	V (55#s) ↓	V (58#s) ↓	V (New) (50#s) ↓
7 p.m.	V (51#s) ↓	V (54#s) ↓	V (New) (50#s) ↓	V (53#s) ↓	V (56#s) ↓	V (59#s) ↓	V (51#s) ↓
10 p.m.	V (52#s) ↓	V (55#s) ↓	V (51#s) ↓	V (54#s) ↓	V (57#s) ↓	V (Win)* (60#s) -	V (52#s) ↓

- The Hall Charities Association must use a separate lottery trust account to administer all the Super Jackpot licences.
- The Hall Charities Association must maintain a separate ledger for each Super Jackpot licence.
- The Hall Charities Association must prepare a separate Super Jackpot event report for each Super Jackpot licence.

- The Hall Charities Association must submit a monthly Super Jackpot event report to the Registrar by the 15th day of the following month.
- The Hall Charities Association must combine the net proceeds from all Super Jackpot games and divide them at least monthly among all member organizations on a pro rata basis, determined by the number of Regular Bingo events conducted by each organization (see example below). In the case of horizontal licences, the Hall Charities Association may choose to combine the net proceeds of all licences and divide them on a pro rata basis between participating members, or the Association may distribute the proceeds from each licence between participating members on a pro-rata basis.

Example: Monthly Super Jackpot Disbursements

Total Net Proceeds to be Disbursed to All Member Groups = \$15,000

Total # of Regular Bingo Events (“Events”) = 10

Groups	# of Events	Share*	Amount**	Year to Date***
Charity A	3	x 1500 =	\$4,500	-
Charity B	2	x 1500 =	\$3,000	-
Charity C	2	x 1500 =	\$3,000	-
Charity D	3	x 1500 =	\$4,500	-
Totals:	10		\$15,000	

*Share = Total Net Proceeds divided by Total # of Events

**Amount = Share multiplied by # of Events per Group

***The Hall Charities Association should also keep a running total of disbursements for the “Year to Date.”

3. The Registrar may license a Hall Charities Association to conduct one Super Jackpot Bingo game for each time slot at which a member organization of the Hall Charities Association conducts a licensed Regular Bingo event.

Fee Example: a \$3,000 Super Jackpot Game with \$300 in Line Prizes conducted at 180 events over a 6-month period:

The Super Jackpot licence fee would be calculated as
 $180 \times (\$3000 + 300) \times 40\% \times 3\% = \$7,128.00$

9.4.1 (e) Table Board Bingo

Table Board Bingo, also known as shutter board bingo, is a bingo game played on a mechanical Table Board Bingo device. This device contains permanent bingo cards and shutters. A player marks a number by covering it with a shutter. The prize amount is variable and is determined by the number of boards in play.

Table Board Bingo may be licensed in one of the three following ways:

1. A municipality may license an eligible organization to conduct Table Board Bingo as a Regular Bingo event or as part of a Regular Bingo event, where the total prize board for the event does not exceed \$5,500.
2. The Registrar may license Hall Charities Associations to conduct Table Board Bingo games, in conjunction with a licensed Regular Bingo event. The Table Board Bingo prizes are in addition to the maximum Regular Bingo prize board.
3. The Registrar may licence Hall Charities Associations to conduct Table Board Bingo games in conjunction with Special (Monster) Bingo events. The Table Board Bingo prizes are in addition to the Special (Monster) Bingo prize board.

9.4.1 (e) (i) Provincial Licensing Policies for Table Board Bingo

The following policies apply to Table Board Bingo events licensed by the Registrar:

1. No limit is set on the number of Table Board Bingo games that may be played under a licence issued in conjunction with a Regular or Special (Monster) Bingo event. However, the total value of the prizes awarded for the Table Board Bingo event cannot exceed 60% of the licensed prize board for the Regular or Special Bingo event.
2. Only one Table Board Bingo event may be licensed per Regular or Special Bingo event time slot.
3. The licensee must offer variable prize amounts for Table Board Bingo games, based on a percentage of the revenue collected for each game. While the percentage may vary within the licensed Table Board Bingo event, the total amount of prizes paid out cannot exceed 60% of the total revenues collected for the event. The percentage for the Table Board Bingo game must be noted in the licence application and on the game schedule.
4. Table Board Bingo games will be licensed for a maximum period of six months.
5. The Hall Charities Association must apply for and administer the Table Board Bingo licences. The following policies apply:
 - A principal officer of each member organization must sign the licence application.
 - The Hall Charities Association must:
 - set up a separate designated lottery trust account to administer Table Board Bingo games;
 - combine the net proceeds from all Table Board Bingo games and divide the proceeds monthly among member organizations on a pro rata basis, determined by the number of regular events held by each organization;

- maintain a separate ledger for each Table Board Bingo licence;
 - prepare a separate Table Board Bingo report for each Table Board Bingo licence; and
 - submit a monthly Table Board Bingo activity report to the Registrar by the 15th day of the following month.
6. If a Hall Charities Association is applying to conduct a Table Board Bingo event in conjunction with a Special Bingo event, it must obtain the written support of the Special Bingo licensee.
 7. A Table Board Bingo event must be conducted in a fixed time slot. That is, the licensee must hold the event in the same time slot each day and cannot move it to another time slot.
 8. A Table Board Bingo event held in conjunction with a Regular or Special Bingo event must be completed during the time allocated for the Regular or Special Bingo event.
 9. The Table Board Bingo licence application must specify the days and time slots when each Table Board Bingo event will be conducted.
 10. Each Table Board Bingo event must be conducted at the time slot specified on the licence.
 11. A licensee may not hold a Super Jackpot game in conjunction with a Regular Bingo event made up entirely of Table Board Bingo games.
 12. The prescribed licence fee for Table Board Bingo is payable in the form of a cheque made payable to the Minister of Finance.

9.4.1 (e) (ii) Approved Table Board Bingo Devices

The following policies apply to the use of Table Board Bingo devices:

1. Licensees must use Table Board Bingo devices approved by the Registrar, or

that meet the criteria established by the Registrar.

2. Licensees must obtain Table Board Bingo devices from suppliers that are approved by the Registrar and registered under the *Gaming Control Act, 1992*.

9.4.1 (f) Progressive Bingo Game

A Progressive Bingo Game is a separately licensed bingo game, held in conjunction with a regular bingo event, where the prize amount increases from event to event. If the progressive prize is not won at one event, it is added to the amount of the prize to be awarded at the next Progressive Bingo Game. The progressive prize increases at each successive event until the specified limit is reached or until the progressive prize is won.

The licensee must award a consolation prize at every event whether or not the main Progressive Bingo Game prize is won. The structure of the consolation prize must be described on the game schedule of the Regular Bingo event during which the progressive bingo game will be conducted.

The dollar amounts of the Progressive Bingo Game prize and the consolation prize must be announced prior to the commencement of each game.

Rules of Play

Progressive Bingo games must be managed and conducted in accordance with Rules of Play that are attached to and form part of the Progressive Bingo Game Licence Terms and Conditions.

A licensee has the option of conducting and managing up to two Progressive Bingo games in conjunction with any one licensed Regular bingo event. Under this option licensees may apply for:

- One Rules of Play “A” – ‘Accumulator style game’, and,
- One of the following Progressive Bingo Game Rules of Play:

- Rules of Play “B” – ‘\$10,000 Progressive style game’, or;
- Rules of Play “C” – ‘\$5,000 Progressive style game’, or;
- Rules of Play “D” – ‘Two \$5,000 Progressive style games’.

The following policies apply to Progressive Bingo games:

1. Only the Registrar may issue a Progressive Bingo Game Licence.
2. Progressive Bingo Games will be licensed for a maximum period of 6 months.
3. A Progressive Bingo Game event must be conducted in a designated fixed time slot during which the licensed Regular Bingo event will be held and must be noted on the game schedule.
4. The following policies apply to Hall Charities Association with respect to Progressive Bingo Game licences:
 - A principal officer from each member organization of the Hall Charities Association must sign the Progressive Bingo Game licence application.
 - The Hall Charities Association must use a separate lottery account designated as a “Trust Account” by the bank or other financial institution to administer the Progressive Bingo Game licence.
 - The Hall Charities Association must maintain a separate ledger for each Progressive Bingo game licence.
 - The Hall Charities Association must prepare a separate progressive bingo game report for each progressive bingo game licence.
 - The Hall Charities Association must submit a prescribed financial report to the Registrar by the 15th day of the following month.
5. In its application, the Hall Charities Association must specify the days and time slots for each Progressive Bingo game.

6. The licensee must conduct and manage the Progressive Bingo Game in the designated fixed time slot specified on the licence.
7. The licence fee for each Progressive Bingo Game event is \$12.00.

Fee Example: the fee for a licensee conducting 4 Progressive Bingo Game events per day, 7 days a week, over the maximum licensing period of 26 weeks would be:

4 events per day x \$12 = \$48 x 7 days = \$336 x 26 weeks = \$8736

9.4.1 (g) Loonie Progressive Game

The Loonie Progressive Game is a separately licensed game that is played during the Regular Bingo event where the prize amount increases from event to event. If the Loonie Progressive Game prize is not won, it is added to the amount of the prize to be awarded at the next Loonie Progressive Game event. The Loonie Progressive Game prize is allowed to increase at each successive event to a maximum of \$5,000 or until the prize is won. Players must purchase a Loonie Progressive Game ticket and paper for the Regular Bingo event in order to play the Loonie Progressive Game. Licensees may offer the Loonie Progressive Game in two game formats each of which is governed by its own set of Rules of Play.

Rules of Play

The Loonie Progressive Game must be conducted and managed in accordance with the Rules of Play that are attached to and form part of the Loonie Progressive Game Licence Terms and Conditions:

- Loonie Progressive Rules of Play: Game “A”, and
- Loonie Progressive Rules of Play: Game “B”.

9.4.1 (g) (i) Game Process: Game A

Prior to the commencement of each licensed Regular Bingo event, a bingo ball is

randomly drawn from the bingo blower. The number on the drawn bingo ball becomes known as the “Indicator Number”. The “Indicator Number” (bingo ball) must be clearly shown and announced to all players in the hall and returned to the bingo blower before the bingo session begins. If the Indicator Number is drawn, the bingo ball drawn immediately after the “Indicator Number” is the Loonie Progressive Game number.

The player or players, who have a valid Loonie Progressive Game “A” ticket and complete the specified arrangement of numbers when the Loonie Progressive Game Number is called, win the Loonie Progressive Game “A” prize. Whether or not the Loonie Progressive Game “A” prize is won, no amount may be awarded as a consolation prize.

The Loonie Progressive Game prize must be calculated and awarded in accordance with the Loonie Progressive Rules of Play Game “A” attached to and forming part of the Loonie Progressive Game Licence Terms and Conditions.

9.4.1 (g) (ii) Game Process: Game B

In order to play Game B, players must purchase a Loonie Progressive Game “B” ticket. Unlike in Game A, there is no indicator number drawn.

The Loonie Progressive Game “B” prize is awarded to the player who completes the specified arrangement of numbers on the bingo paper within a designated number of calls and has a valid Loonie Progressive Game “B” ticket.

If the Loonie Progressive “B” Game prize is not won and the prize has accumulated to \$5,000, the designated number of calls must increase by one at each session until the Loonie Progressive Game “B” prize is won.

The Loonie Progressive Game prize must be calculated and awarded in accordance with the Loonie Progressive Rules of Play Game “B” attached to and forming part of the Loonie Progressive Game Licence Terms and Conditions.

The following policies apply to both game formats for the Loonie Progressive Game:

1. Loonie Progressive Game tickets may be priced at \$1 or \$2 per event.

2. Players who participate in the Loonie Progressive Game must have purchased Regular Bingo paper and a valid ticket for the Loonie Progressive Game in order to claim the Loonie Progressive Game prize.
3. The licensee must have an auditable tracking system to record all ticket purchases and to verify a winning Loonie Progressive Game.
4. The tickets must have two parts, one of which is given to the customer and the other is retained by the licensee. Each part of the ticket must contain the following:
 - name of the Loonie Progressive Game participant;
 - hall location, session, date and time of the Loonie Progressive Game event;
 - total prize amount that may be awarded;
 - the price to play the Loonie Progressive Game;
 - ticket number (all tickets must be sequentially numbered)

The following licensing policies apply to the Loonie Progressive Game:

- Only the Registrar may issue licences for Loonie Progressive games.
- Loonie Progressive games will be licensed for a maximum period of 6 months.
- The licence fee for each Loonie Progressive Game event is \$2.00.

Fee Example: Fees for a licensee conducting 4 loonie progressive game events per day, 7 days a week, over the maximum licensing period of 26 weeks would be:

4 events per day x \$2 = \$8 x 7 days = \$56 x 26 weeks = \$1456

Where a Hall Charities Association exists, only the Hall Charities Association may apply for a licence to conduct and manage the Loonie Progressive Game. Where no Hall Charities Association exists, the individual licensee may apply for a licence to conduct and manage the Loonie Progressive Game.

Loonie Progressive Game applicants must submit the following information with the application:

- a letter of support from the local licensing authority;

- copies of the game schedule for the licensed Regular Bingo event in conjunction with which the Loonie Progressive Game is to be conducted and managed; and a void cheque from the Loonie Progressive game lottery trust account.

On the financial report licensees are required to specify the ticket numbering system used for the Loonie Progressive “B” Game tickets. Any tickets that are void must be accounted for on the financial report and the original void tickets must be submitted with the financial report.

1. The following policies apply to a Hall Charities Association with respect to Loonie Progressive Game licences in a non-pooling hall:

- A principal officer from each participating member organization of the Hall Charities Association must sign the Loonie Progressive Game licence application.
- The Hall Charities Association must use a separate lottery account designated as a “Trust Account” by the bank or other financial institution to administer their Loonie Progressive Game licences and use and distribute proceeds in accordance with the banking requirements set out in the Regular and Special Bingo Licence Terms and Conditions.
- The Hall Charities Association must maintain a separate ledger for each Loonie Progressive Game licence.
- In its application, the Hall Charities Association must specify the days and time slots for each Loonie Progressive game.
- The licensee must conduct and manage the Loonie Progressive Game only during the Regular Bingo games specified on the application for licence.
- The Hall Charities Association must prepare a separate Loonie Progressive Game report for each Loonie Progressive Game licence.
- The Hall Charities Association must submit a prescribed financial report to the Registrar by the 15th day of the following month.

9.4.2 PROCEDURES FOR LICENCES ISSUED BY THE REGISTRAR

9.4.2 (a) Regular or Special Bingos

The following procedures apply to bingo licences issued by the Registrar:

Applications must include:

1. A completed application on a form issued by the Registrar, signed by at least one of the designated members-in-charge and two principal officers of the organization.
2. The prescribed licence fee in the form of a cheque made payable to the Minister of Finance.
3. A game schedule outlining:
 - the bingo games to be played;
 - the winning arrangement of numbers for each game;
 - the value of the prize for each game;
 - the minimum and maximum payouts for variable prize games;
 - the prices of the bingo paper;
 - the total value of all prizes offered for the bingo event;
 - any special purchase provisions for used bingo paper exchanged for new bingo paper (e.g., \$0.25 instead of \$0.50); and
 - the start and end time for the time slot during which the Regular Bingo event and any licensed lottery events/games conducted in conjunction with it, will be held.
4. The name and address of the premises where the bingo event is to be held.

First time applicants must allow a minimum of 45 days for the Registrar to process their licence application.

The Registrar will:

- notify an applicant if its application is deficient, requesting the missing documents; and
- communicate only with the appropriate contact person of the Hall Charities Association, as listed on the application form (e.g., a member-in-charge or a principal officer of the association), regarding applications, licences and amendments.

See sections 9.4.2 (b),(c),(d) and (e) for additional requirements for Super Jackpot Bingo, Table Board Bingo, Progressive Bingo Game and Loonie Progressive Game applications.

9.4.2 (b) Super Jackpot Bingo

Super Jackpot licence applicants must comply with the following procedures:

1. In addition to the requirements for Regular or Special Bingo event licences, applicants for Super Jackpot licences must submit the following information:
 - copies of the game schedule for the Regular Bingo event during which the Super Jackpot game will be conducted;
 - game schedules of all bingo events licensed in the hall;
 - a list of the bingo events during which Super Jackpot games will be played, on a weekly basis, including the day and time of each event, indicating any days the bingo hall will be closed for holidays during the licensing period;
 - a list of all organizations that are members of the Hall Charities Association; and

- the signature of an authorized principal officer from each member organization, verifying that he or she has read, understands and agrees to comply with the Super Jackpot Bingo Terms and Conditions.
2. The Registrar may also request that the Hall Charities Association submit a copy of its current membership, constitution and bylaws.

9.4.2 (c) Table Board Bingo

Organizations submitting Table Board Bingo applications to the Registrar must comply with the following procedures.

1. In addition to the requirements for Regular or Special Bingo event licences, Table Board Bingo licence applicants must submit the following information:
- copies of the game schedule for the licensed Regular or Special Bingo event specifying:
 - the set percentage used to calculate the variable prizes for the individual Table Board Bingo games;
 - which events are made up entirely or partly of Table Board Bingo games; and
 - the start and end times for the Regular or Special Bingo time slot;
 - game schedules for all municipally-licensed bingo events in the hall;
 - a list of the bingo events during which Table Board games will be played, on a weekly basis, including the day and time of each event, indicating any days the bingo hall will be closed for holidays during the licensing period; and
 - the signature of an authorized principal officer from each member of the Hall Charities Association verifying that he or she has read, understands and agrees to comply with the Table Board Bingo Terms and Conditions.
2. The Registrar may also request that the Hall Charities Association submit a copy

of its current membership, constitution and bylaws.

9.4.2 (d) Progressive Bingo Game

Progressive Bingo Game Licence applicants must comply with the following procedures:

1. In addition to the requirements for Regular or Special Bingo event licences, applications for a Progressive Bingo Game licence must also include:
 - which Progressive Bingo Game Rules of Play will apply, “A”, “B”, “C” or “D”;
 - a list of the days and the time slots when the progressive bingo will be conducted;
 - copies of the game schedule for the Regular Bingo event during which the progressive bingo game will be conducted; and
 - the Progressive Bingo Game lottery trust account number;
2. Where the application is for Rules of Play “A” the applicant must specify:
 - the minimum designated number of calls; and
 - the method for determining the amount of the consolation prize.
3. Where the applicant is a Hall Charities Association applications must also include:
 - a list of all organizations that are members of the association; and
 - the signature of an authorized principal officer from each member organization, verifying that he or she has read, understands and agrees to comply with the Progressive Bingo Game Licence Terms and Conditions.
4. The Registrar may also request that a Hall Charities Association submits a copy of its current membership, constitution and bylaws.

9.4.2 (e) Loonie Progressive Game

1. Applications for a Loonie Progressive Game Licence must include:
 - a completed application on a form issued by the Registrar, signed by at least one of the designated members-in-charge and two principal officers of the organization;
 - the licence fee in the form of a cheque made payable to the Minister of Finance;
 - the name and address of the premises where the Loonie Progressive Game event is to be held;
 - a list of all Regular Bingo session start times at which the Loonie Progressive Game will be conducted;
 - copies of the game schedule for the Regular Bingo event, clearly identifying those games where the Loonie Progressive Game will be managed and conducted;
2. Where the applicant is an individual charity the application must also include the account number of the designated bingo trust account that will be used to administer the game.
3. Where the applicant is a Hall Charities Association in a non-pooling bingo hall applications must also include:
 - a list of all organizations that are members of the association;
 - the account number of the designated Loonie Progressive Game lottery trust account; and
 - the signature of an authorized principal officer from each participating member organization, verifying that he or she has read, understands and agrees to comply with the Progressive Bingo Game Licence Terms and Conditions.

4. First time applicants must also include:
 - a sample copy of the two-part Loonie Progressive Game ticket; and
 - a void cheque from the trust account that will be used to administer the Loonie Progressive Game.
5. For reporting purposes:
 - a separate Loonie Progressive Game report must be prepared for each Loonie Progressive Game licence; and
 - the ticket numbering system used on the Loonie Progressive Game ticket must be submitted with the financial report. Any tickets that are void must be accounted for on the financial report and the original void tickets must be submitted with the financial report.
6. The Registrar may also request that a Hall Charities Association submit a copy of its current membership, constitution and bylaws.
7. The Registrar will:
 - notify an applicant if its application is deficient, requesting the missing documents; and
 - communicate only with the appropriate contact person of the Hall Charities Association, as listed on the application form (e.g., a member-in-charge or a principal officer of the association), regarding applications, licences and amendments.

9.5.1 OTHER PERMITTED BINGO GAMES

9.5.1 (a) Super Ball Bingo

Super Ball Bingo is a Regular Bingo game where the prize value is based on a dollar amount multiplied by the number called from a designated ball.

Super Ball Bingo may only be licensed if:

- 1) the prize value is based on an amount multiplied by a number drawn and called before the game starts; or
- 2) before the game starts, the caller announces:
 - a minimum and maximum potential prize payout, and
 - the rules for determining the prize (for example, an amount multiplied by the last or first number called).

9.5.1 (b) “Pay as You Play” Bingo

“Pay as you play” bingo (walk in bingo) refers to a way of playing bingo, rather than a specific type of game. At “pay as you play” bingo, patrons purchase bingo paper for only the games they wish to play, and are not required to buy bingo paper for the whole event.

“Pay as you play” bingo games may be licensed, provided the following conditions are met:

1. The bingo games must be conducted and managed according to a structured game schedule that includes a cap on the prizes to be awarded for each game.
2. The licensee must set up internal financial controls to reconcile all the transactions involved in the conduct of the bingo event.

The licensing authority must review each proposal to determine that there is proper accountability in the operation of the bingo event. Each proposal must include:

- a detailed game schedule with a breakdown of all the different games and the payouts for each game;
- details on how the bingo paper will be sold;
- detailed procedures on how transactions will be reconciled; and
- detailed procedures on how prize payouts are determined.

9.5.1 (c) In-House Bingos – Senior Homes

There are a small number of in-house bingo games conducted by senior citizens that are not licensed.

The game participants are generally, if not exclusively, the residents of a senior citizen's home but occasionally include visiting family or friends. Entry fees may vary from \$0.25 to \$0.30 with the proceeds being returned to the players in the form of prizes. Technically, the three elements of a lottery, i.e., consideration, chance and prize are present (see also section 3.1.1). What is missing, however, is the intent on anyone's part to make a profit, or even raise funds. The underlying objective is to provide some entertainment and have a lot of fun.

It is the opinion of the Registrar that these events fall more properly into the category of recreational activity rather than prohibited lottery schemes.

The Registrar has therefore concluded that bingo games being played in senior citizen's residences or nursing homes that involve trivial amounts of money do not require enforcement action.

Determining what makes a game trivial may be subjective and will depend on individual circumstances. Consideration should be given to the amount of money paid

to play, e.g. \$0.25 or \$0.30, etc. and whether or not the total collected is disbursed in the form of prizes. Another important factor is that the game is organized and played in-house and is clearly recreational, as opposed to fund-raising for whatever purpose.

Please contact the Alcohol and Gaming Commission of Ontario, if any questions or concerns arise regarding this matter.

9.5.2 BIG LINK BINGO

Big Link Bingo or other Ontario Lottery and Gaming Corporation (OLG) events are joint ventures between the charitable sector, which is represented by the Ontario Charitable Gaming Association (OCGA), bingo hall operators, and the OLG.

Big Link Bingo is not a licensed event. The OLG conducts and manages Big Link Bingo. The advertising and promotional activities for the event are not governed by the Registrar's Policies and Terms and Conditions. The licensee cannot pay for advertising and promotion for Big Link Bingo with the proceeds from any licensed events. Likewise, Big Link Bingo advertising and game proceeds cannot be used to advertise licensed bingo events held in the hall.

Questions regarding the operation of Big Link Bingo or other OLG-run events can be referred to the Ontario Lottery and Gaming Corporation.

9.5.2 (a) Big Link Bingo Revenues

The Terms and Conditions for Regular and Special Bingo Licences allow charitable organizations to use existing designated lottery trust account(s) for revenues from the Big Link Bingo game. Some key provisions are summarized below:

1. The licensee must hold Big Link Bingo revenues in trust and must use them for the same charitable purposes, approved by the licensing authority, for the proceeds of Regular Bingo events.
2. The licensee and the Hall Charities Association may provide services for Big Link Bingo, as authorized by the Registrar.
3. The licensee must maintain detailed records of how disbursements for Big Link Bingo proceeds are used.
4. The licensee must provide the licensing authority with access to its books and records, and agree to deliver books and records to the licensing authority for audit and investigation purposes.

5. A charitable organization has the option of depositing Big Link Bingo proceeds into the bingo lottery trust account, or, where it uses a single trust account for all licences (e.g., bingo, raffles and Break Open Tickets), depositing into that account.
6. The licensee cannot use Big Link Bingo proceeds to pay the expenses of any other lottery scheme.
7. The licensee must provide the licensing authority with financial statements summarizing the use of proceeds for all lottery schemes, including Big Link Bingo, and a report on the licensee's compliance with the Terms and Conditions of licensing.
8. The Hall Charities Association must disburse Big Link Bingo funds as per the OCGA/OLG Big Link contract.

Please see section 3.6.1 “Designated Lottery Trust Accounts” for further information.

9.5.3 PROHIBITED BINGO GAMES

The following types of bingo games must not be licensed:

1. Games commonly known as “pick a bingo” or “do it yourself bingo,” where players may determine or pick the numbers on their game cards.
2. Games commonly known as “king and queen,” which use a wild number or any number that is not called by random selection.
3. Speed Ball Bingo games where the last digit of a number drawn before the start of a game, for example 8, is used as a wild-card number, in any combination such as 8, 18, 28, etc., on all bingo cards for that game.
4. Games where either the exact prize or the maximum prize potential (prize range) is not known and cannot be announced before the game is played, except for Super Ball Bingo.

9.6.1 ADMINISTRATIVE AND OPERATIONAL RESPONSIBILITIES

Licensed charitable organizations are responsible for the conduct and management of bingo events. While only a licensee's members, employees or volunteers may carry out certain duties, other duties may be carried out by a bingo hall owner/operator registered under the *Gaming Control Act, 1992*.

9.6.1 (a) Tasks the Licensee Must Perform

1. Licensees must designate a minimum of three bona fide members, who are at least 18 years of age, to supervise the bingo event. The licensee must submit the names of the designated members to the licensing authority.
2. The licensee's members must supervise the sale of bingo paper.
3. The licensee is responsible for bingo advertising and promotion, but it may conduct these activities through the Hall Charities Association and/or in cooperation with the hall owner. The hall owner is subject to certain restrictions in this area. For a complete description of the types of advertising and promotion that may be carried out by a licensee or a hall owner, see section **9.7.1 "Bingo Advertising and Promotion."**
4. The licensee is responsible for the following financial functions:
 - supervising the handling of all revenues generated from its own licensed events and Big Link Bingo;
 - paying expenses, including hall rental, advertising and reimbursement for bona fide member expenses; and
 - setting up and maintaining the lottery trust account(s), including depositing all incoming monies.
5. The licensee is responsible for creating an official record of the game by recording the numbers called. The numbers may be recorded by electronic verifying equipment, videotaping or handwriting.

6. The licensee must resolve any conflicts by referring to the official record.

9.6.1 (b) Tasks That May be Carried Out by the Bingo Hall Owner/Operator

1. The hall owner/operator may prepare a draft game schedule, suggested prize allocation and suggested bingo paper prices for review and final approval by the licensee.
2. Bingo hall employees may check and validate a patron's bingo paper once "bingo" has been called. However, the licensee's designated person in charge is responsible for making the decision to recognize a winner, including in the case of a dispute, as outlined in section 9.6.1 (a)(6).
3. The hall owner/operator may place bingo paper orders, store bingo paper and monitor inventory.
4. In addition the licensee may delegate the following responsibilities to the hall owner/operator:
 - selling bingo paper and tracking sales;
 - cash counting and reconciliation; and
 - responding to customer complaints.

9.6.2 STAFFING BINGO EVENTS

Each licensee is responsible for deciding how to staff its bingo events, as long as the minimum of three bona fide members of the licensed organization are present to conduct and manage the event.

1. In addition to three bona fide members, licensees may staff their events with any combination of:
 - (a) bona fide members and full-time employees of the charitable organization:
 - The organization's full-time employees may volunteer to assist at bingo events, provided that their primary duty is not providing gaming services.
 - (b) employees of the bingo hall:
 - The organization may negotiate with the hall operator to provide registered staff for certain services such as calling the game or selling Break Open Tickets.
 - (c) runners employed by the bingo hall:
 - The licensee may choose to negotiate with the hall operator to provide all the runners. In this case, the licensee and the hall operator may share the staffing costs for the runners as permitted by the Terms and Conditions.
 - (d) volunteers, who may be members of the licensees in the Hall Charities Association or family, friends or volunteers from other member organizations, who receive no reimbursement for out-of-pocket expenses.
2. If the hall operator provides all the runners as in 1 (c) above, the licensee and the hall operator share the entire staffing costs. When the staffing costs are shared:
 - The Hall Charities Association and the hall operator must sign a Memorandum of Understanding, approved by the licensing authority.
 - The hall operator must set up a proper payroll for the employees, with the appropriate source deductions.

- The licensee’s share of the staffing costs, paid to the hall operator:
 - is subject to HST;
 - must be paid from the maximum amount allowed for reimbursement of bona fide member expenses, which is, including HST, 3% of the Regular Bingo prize board for the event; and
 - must be paid separately from the rent.

- The licensee may reimburse only the three designated members-in-charge for bona fide member expenses. The reimbursement:
 - must not be cost-shared with the hall operator;
 - in the case of pooling halls, must be paid from the allowable maximum administrative costs of one percent of the gross receipts of Regular Bingo, Super Jackpot and the sale of Break Open Tickets; and
 - in a non-pooling situation, must be taken from net proceeds.

For an example of how to calculate the amounts to be distributed to the hall owner/operator and the licensee when the cost of runners is shared, please refer to Figure 1 on the following page.

3. The licensee may reimburse bona fide members and staff of the licensee for bona fide member expenses related to a bingo event. These bona fide member expenses may include items such as meals, transportation and babysitting expenses. The organization may reimburse a member for up to \$10 without receipts, for reasonable and necessary expenses, provided the organization maintains a record of the amounts paid out, including an acknowledgement signed by the bona fide members for the amounts received. For expenses above \$10, up to a maximum of \$20, the bona fide member must provide receipts for the full amount. The reimbursement cannot exceed \$20 per person, and the total of the reimbursements for all bona fide members cannot exceed 3% of the event prize board. (“see section 3.5.2 “Bona Fide Members” for further information)

4. The licensee must pay any staff reimbursement for out-of-pocket expenses from the lottery trust account and must report it as an expense on the lottery event report.

Fig. 1: Sharing the Cost of Runners Between the Hall and the Licensee

Scenario

- Bingo event: 3 hours of work with 4 runners employed by the hall
- Hall runners earn \$7 per hour each.
 $\$7.00 \times 4 = \28.00
 $\$28.00 \times 3 = \84
- Assume the employer portion of EI and CPP is 10%. Assume that the employer pays no other benefits.
 $\$7.00 \times .10 = .70$
 $.70 \times 4 = 2.80$
 $2.80 \times 3 \text{ hours} = \8.40
- Three designated members-in-charge with receipts for \$10 each in bona fide member expenses: \$30

Total Costs of the Bingo Event

Gross Receipts	\$5,000
<u>Less(-) Prizes</u>	<u>\$4,000</u>
Gross Profit	\$1,000
Less Licence Fee	\$120.00
Less Actual staffing costs (84 +8.40)	92.40
Less HST (92.40 X .13)	12.01
<u>Less Advertising (2% of prize board)</u>	<u>80.00</u>
Net Profit	\$695.59

Hall Owner/Operator's Amount (40%) $695.59 \times 40\% = \$278.24$
 +HST on Hall Rental 36.17
\$314.41

Net Profit (695.59) Less (-) Hall Rental and HST (314.41) = \$381.18

Licensee's Amount 381.18
Less Out-of-Pocket Expenses for Designated Members in Charge 30.00
Net Licensee Amount **\$351.18**

9.6.3 DISTRIBUTION OF GROSS RECEIPTS FROM BINGO EVENTS

The Terms and Conditions for bingo licences describe how a licensee must distribute the gross receipts from bingo events. The licensee must calculate the distribution of the gross receipts from the bingo events based upon whether or not it uses the services of a registered bingo hall owner/operator and, if so, which services are provided.

In order to calculate the amount to be paid to the bingo hall owner/operator (the hall rent), the licensee must first deduct from the gross receipts the other eligible costs incurred in the conduct and management of the bingo event. These expenses may include the prizes, licence fee, bona fide member expenses, advertising and promotion, hand-held personal bingo verifiers and the cost of transportation as approved by the licensing authority. The amount calculated by deducting these expenses from the gross receipts is referred to as the “Base Amount.” The licensee must then use this “Base Amount” to calculate the hall rent payable to the bingo hall owner/operator for goods and services provided to the licensee for the bingo event, as outlined in 9.6.3 (a) to (c).

How to Calculate the Base Amount for 9.6.3 (a) to (c).

Gross Receipts Less (-)

(Prizes + licence fee + reimbursements* + advertising and promotional costs + authorized transportation + hand-held personal bingo verifiers)

Equals (=) **Base Amount**

* Refers to out-of-pocket expenses or staffing costs of runners shared with the hall.

Any remaining expenses (including, but not limited to: bingo paper, security, storage, equipment, costs related to the building and employee wages) must be paid by the bingo hall owner/operator.

If the bingo hall owner/operator or its employees makes an error that results in a cash shortage, this shortage must be deducted from the amount paid to the hall owner/operator.

9.6.3 (a) When the Bingo Hall Owner/Operator Supplies both the Runners and the Bingo Caller

The licensee must keep a minimum of 60% of the Base Amount and pay the bingo hall owner/operator either a maximum of 40% of the Base Amount, or up to 15% of the gross receipts, whichever is less.

9.6.3 (b) Where the Bingo Hall Owner/Operator Supplies Only the Runners or Only the Bingo Caller

The licensee must keep a minimum of 60% of the Base Amount and pay the bingo hall owner/operator either a maximum of 40% of the Base Amount or 14% of the gross receipts, whichever is less.

9.6.3 (c) When the Bingo Hall Owner/Operator Supplies All the Runners on a Cost-Sharing Basis with the Licensee

When the licensee and the hall owner/operator share the cost of the runners, the licensee's share of the staffing costs is paid from the amount allowed for reimbursement of out of pocket expenses, which is a maximum of 3% of the Regular Bingo prize board for that event.

The licensee must keep a minimum of 60% of the Base Amount and pay the bingo hall owner/operator either a maximum of 40% of the Base Amount or 14% of the gross receipts, whichever is less.

9.6.3 (d) When the Licensee does not Use the Services of a Bingo Hall Owner/Operator

Total expenses are capped at 15% of gross receipts, not including the Goods and Services Tax. The Terms and Conditions outline the allowable expenses.

9.6.3 (e) Super Jackpot Disbursements

In Super Jackpot calculations, only the prizes, licence fees and advertising and promotion costs are deducted from the gross receipts:

$$\text{Gross Receipts} - (\text{Prizes} + \text{Licence Fee} + \text{Advertising and Promotion Costs}) \\ = \text{Base Amount.}$$

The Hall Charities Association must keep a minimum of 60% of the Base Amount and pay the hall owner/operator a maximum of 40% of the Base Amount, up to a maximum of 15% of the gross receipts, whichever is less.

For an example of how to calculate the monthly Super Jackpot disbursements to a Hall Charities Association's member groups, please refer to the example in section 9.4.1 (d) (2).

9.6.3 (f) Disbursements for all Other Bingo Events licensed by the Registrar

For all other bingo events licensed by the Registrar and conducted in registered bingo halls, licensees must use the "Base Amount" to calculate the hall rental payable to the bingo hall owner/operator, as outlined in section 9.6.3 (a) to (c).

9.6.4 HANDLING AMERICAN CURRENCY

At bingo events where American currency is accepted, the total gross receipts are affected by the value of the American dollar. All administrative expenses must be paid in Canadian funds, and the amount of adjusted gross receipts must be calculated taking into account the value of the American currency converted into Canadian dollars.

9.7.1 BINGO ADVERTISING AND PROMOTION

The Registrar has established guidelines giving licensees and hall owners a wide variety of options for bingo advertising and promotion. Allowable bingo advertising and promotions activities include:

- giveaways;
- promotional contests;
- customer loyalty programs;
- mail outs;
- gift certificates;
- advertising outside the hall; and
- in-hall advertising.

Licensees and hall owners are responsible for ensuring that they comply with the Registrar's policies, the *Criminal Code* (Canada), the *Gaming Control Act, 1992* and Regulations and any other applicable municipal, provincial and federal legislation. Licensees and hall owners may contact the AGCO for clarification on AGCO policies.

Licensees may choose to advertise and promote their events:

- independently;
- jointly through the Hall Charities Association;
- jointly through the Hall Charities Association in conjunction with the hall operator; or
- both independently and jointly.

Licensees that choose to market their events together and/or in conjunction with a bingo hall operator must develop a joint marketing plan, as outlined in section 9.7.4.

9.7.2 EVENT SPECIFIC OR NON-EVENT SPECIFIC

- “Event specific” activities relate directly to the conduct and management of a gaming activity. They are the responsibility of the licensee.
- “Non-event specific” activities do not relate directly to either the conduct or management of a specific gaming activity; therefore, either hall operators or licensees may conduct these type of activities.

9.7.3 ADVERTISING AND PROMOTION CONTENT

The content of all bingo advertising and promotion, including graphics, must comply with the policies outlined in section 3.3.2 “Content Guidelines” and the policies listed below:

1. All “event specific” advertising must state:
 - the name of the eligible charitable organization conducting the event, and
 - the lottery licence number(s).
2. Licensees must not combine prize values for more than one event to create the impression of a large single prize board.
3. The Terms and Conditions of the licence prohibit promotional or advertising material on bingo paper, unless it promotes the licensee and is placed by the licensee.

9.7.4 JOINT MARKETING PLANS

The licensees in a Hall Charities Association may decide to market their events together or in conjunction with the hall operator. Each licensee who wishes to participate must consent in writing to the marketing plan. Licensees may develop only one joint marketing plan per hall. A licensee may choose to opt out of the joint marketing plan and conduct its own advertising and promotion.

The licensees must develop a joint marketing plan through the Hall Charities Association. If the hall operator is sharing the cost of the plan, the operator will be involved in the development of the plan as well.

The joint marketing plan must outline:

- the proposed advertising and promotion plans;
- the estimated timeline for implementation;
- the projected costs;
- the cost sharing proposal; and
- a description of the expected outcome or benefit of each proposed activity.

Joint advertising costs must be shared between the Hall Charities Association and the hall owner on a 60/40 (Hall Charities Association/hall owner) basis. The licensee or Hall Charities Association must contribute its 60% from the up to 2% it is allowed to spend for advertising. The 2% must cover the total amount of a licensee's advertising and promotional activity, including amounts spent independently or jointly.

See section 9.7.5 “Setting Aside Funds for Advertising and Promotion” for further information.

9.7.5 SETTING ASIDE FUNDS FOR ADVERTISING AND PROMOTION

9.7.5 (a) Licensees

Licensees may set aside an amount of up to 2% of the Regular Bingo and Table Board Bingo prize board for advertising and promotion activities and up to 2% of the actual prizes awarded from their Super Jackpot, Progressive Bingo Game and Loonie Progressive Game events.

Members of the Hall Charities Association who are participating in the joint marketing plan as described in section 9.7.4 must submit the agreed upon amounts to the Hall Charities Association.

Members of the Hall Charities Association who are participating in the joint marketing plan must submit the agreed upon amounts to the Hall Charities Association.

Licensees who participate in joint advertising, may also conduct their own independent advertising plan, provided they have funds remaining within the allowable limits.

9.7.5 (b) Hall Operators

No limit has been set on the amount a hall operator can spend on its own independent advertising and promotional activities.

When a hall owner is participating in joint advertising and/or promotion with a Hall Charities Association, the hall owner's contribution is limited to 40% of the entire cost of the activities.

9.7.5 (c) Big Link Bingo Advertising

Big Link Bingo advertising is overseen by the Ontario Lottery and Gaming Corporation. Licensees may use up to 5% of their Big Link Bingo proceeds to advertise and promote Big Link Bingo. This money must be kept in a separate designated trust account.

9.7.6 DESIGNATED TRUST ACCOUNT FOR ADVERTISING EXPENSES

Licensees who advertise and promote their events independently must deposit funds, up to the prescribed limits, in a separate designated trust account used solely for advertising expenses. Each licensee must submit a report to the Hall Charities Association outlining:

- the cost of advertising and promotion in the previous quarter;
- the amount of money remaining in the account; and
a plan for returning excess funds to the licensee's lottery trust account and to the hall operator.

9.7.7 ADVERTISING AND PROMOTION QUARTERLY REPORTS

9.7.7 (a) Hall Charities Associations

Hall Charities Association must provide member organizations and the hall operator with a quarterly report, including:

- total advertising and promotion expenditures during the previous quarter;
- total disbursements of unused funds returned to the member organizations and the hall operator during the quarter;
- the total remaining accumulated advertising and promotion funds; and
- plans for returning excess funds to the member organizations and the hall operator, if required.

At any time, a Hall Charities Association may return accumulated, unused advertising and promotion funds to the hall owner and licensees. The amount returned must be based on the amounts contributed by the individual licensees and the hall owner.

9.7.7 (b) Licensees

Licensees who are carrying out independent advertising and promotion activities must submit quarterly reports on these activities to the Hall Charities Association.

9.7.8 BINGO ADVERTISING AND PROMOTION ACTIVITIES

9.7.8 (a) Giveaways

Licensees and hall operators may offer giveaways of non-gaming products to customers and prospective customers. The following policies apply to giveaways:

- A giveaway may be in the form of a coupon that may be redeemed for merchandise or a discount on an item. Coupons cannot be redeemed for cash.
- Any restrictions on the redemption of a coupon, such as when or what it may be redeemed for, must be stated on the coupon.
- Items to be used as giveaways may be donated by third parties (someone other than the licensee or the hall operator) in exchange for promotional considerations only. No other forms of payment are permitted.

9.7.8 (b) Promotional Contests

While both hall operators and licensees may stage promotional contests, there are some restrictions:

- Only licensees may stage promotional contests in the form of a bingo or Break Open Ticket Game; while
- Hall Operators may host other types of promotional contests including those that extend across more than one hall.

A third party or a hall operator may donate prizes to be given away as part of an operator or licensee-run promotional contest in exchange for promotional consideration only. No other form of payment is permitted. Hall operators and licensees may not contract with a third party to offer inducements, such as gifts or the chance to receive a gift, to play games of chance. Hall operators and licensees must ensure that all promotional contests comply with the relevant municipal, provincial and federal legislation.

9.7.8 (c) Customer Loyalty Programs

9.7.8 (c) (i) Programs

Hall operators and/or licensees may establish customer loyalty programs that reward customers for their patronage, based on the frequency of their visits. A “visit” is defined as one session of not less than 1.5 hours. Customers may redeem their accumulated loyalty points for rewards in the form of giveaways of non-gaming products. Customer loyalty points cannot be redeemed for cash.

If customer loyalty programs are part of a joint marketing plan between licensees and the hall operator, the licensees’ share of the costs, including administration and rewards, must fall within the prescribed limits for advertising and promotion.

Customer loyalty programs may be shared across bingo halls, including those belonging to different operators, and across geographic/municipal boundaries.

If the organization discontinues the program or ceases operation, the program will constitute a liability, based upon points and/or rewards earned by customers. An organization offering a customer loyalty program must be able to fund this liability.

Customer loyalty programs must be pre-approved by the Registrar in writing. Licensees and/or hall operators must submit a detailed proposal containing:

- a description of how the program will function;
- the role and responsibilities of each party participating in the program;
- a description of how the points will be tracked (for example, manually or through an automated tracking system);
- a detailed description of each reward, its retail dollar value and its designated point value;
- the redemption value of each point awarded;
- a plan for funding the liability, in the event of a closure or bankruptcy;
- the proposed cost sharing arrangement, if any, between the hall operator and licensees/Hall Charities Association; and
- the written agreement of the hall operator and/or Hall Charities Association.

9.7.8 (c) (ii) Customer Tracking Systems

Licensees and hall operators may use customer tracking systems to record the information necessary to operate their customer loyalty programs. The tracking system may be as simple as punch cards or as sophisticated as electronic cards. In most cases, the suppliers of the customer tracking systems will not be required to register under the *Gaming Control Act, 1992*. However, the Registrar may require that a supplier be registered under the *Act* in order to contract with a hall operator and/or licensee to track points or guarantee liability.

The Registrar will make registration decisions on a case-by-case basis, prior to granting program approval. Also, at any time the Registrar may require that a supplier be registered.

9.7.8 (d) Direct Mail to Existing Customers

Licensees and hall operators may use direct mail advertising to communicate with existing customers only. The mail must be addressed to the intended recipient. The licensees/hall operator must compile a formal mailing list of the names and addresses of actual customers at that bingo hall. The list must be available for inspection by the licensing authority.

9.7.8 (e) Gift Certificates

Licensees and hall operators may sell gift certificates or offer them as promotional items. These gift certificates may only be redeemable for cash or non-gaming products. Each gift certificate must state its restrictions, such as what it may be redeemed for, when it may be used and its expiry date. The cost of a gift certificate must be the same as its redemption value.

Gift certificates produced by a licensee may only be sold during that licensee's events. This must be stated on the certificate.

As gift certificates are the equivalent of cash, they represent a liability for the issuing organization. Licensees and hall operators must:

- reserve sufficient funds to redeem all gift certificates in circulation;
- set up accounting practices and procedures to ensure that their financial statements reflect gift certificates in circulation; and
- institute security measures, such as serial numbers and original signatures, to validate gift certificates.

Licensees and hall operators who intend to sell gift certificates must develop a policy outlining:

- how the program will operate;
- the security measures;
- restrictions on redemption;
- a plan to address liability for outstanding gift certificates; and
- any other outstanding issues.

While the Registrar does not have to approve the policy or the accounting measures in advance, the licensee or hall operator must be able to provide them for inspection or audit purposes.

9.7.8 (f) Advertising Outside the Bingo Hall

The Registrar permits three types of advertising outside the bingo hall:

- i) Shared Cost/Joint Event Specific and Non-Event Specific Advertising
- ii) Non-Event Specific Only Advertising
- iii) Event Specific Only Advertising

9.7.8 (f) (i) Shared Cost/Joint Event Specific and Non-Event Specific Advertising

For advertising that contains both event specific and non-event specific advertising, a licensee or a Hall Charities Association may share the cost with a hall operator. Such advertising, for example, may contain information about specific games to be played and general information about the hall, including promotional activities.

When licensees or Hall Charities Associations and hall operators wish to engage in such joint advertising, they must develop a joint marketing plan, as outlined in section 9.7.4. and make it available upon request by a licensing authority.

9.7.8 (f) (ii) Non-Event Specific Only Advertising

Hall operators and licensees/Hall Charities Associations may engage in non-event specific advertising, either jointly or independently.

9.7.8 (f) (iii) Event Specific Only Advertising

Only licensees, either individually or through a Hall Charities Association, may engage in event-specific only advertising.

9.7.9 THIRD PARTY ADVERTISING

9.7.9 (a) Advertising Outside the Bingo Hall

Third parties (parties other than licensees or hall operators) may not financially contribute to advertising outside the hall, but they may provide promotional considerations in return for advertising. For example, a company may provide a product giveaway that goes directly to players, in return for being mentioned in an advertisement.

If a third party sponsor is mentioned in an advertisement containing event specific information, the licensee's name must be featured more prominently than that of the third party sponsor.

9.7.9 (b) Advertising Inside the Bingo Hall

Hall operators may offer advertising space within the hall to third party sponsors only in return for promotional considerations that go directly to players. Hall operators may not sell advertising space.

9.8.1 ELIGIBLE BINGO EXPENSES

This section covers expenses that the licensee may incur during the conduct and management of bingo events. These expenses include: (a) licence fees, (b) bookkeeping and administrative fees, (c) transportation to bingo events (when approved by the licensing authority), and (d) Hand-held personal bingo verifiers (optional). Advertising and promotion costs are covered in section 9.7.1.

9.8.1 (a) Licence Fees

The municipality or the Registrar may charge a licence fee for any Regular or Special Bingo. The municipality or the Registrar may charge a licensing fee as a flat rate or as a percentage of the prize board, as long as the total amount does not exceed the Registrar's prescribed maximum lottery licensing fee. The licence fee for variable prize board events is calculated based on the value of the maximum licensed prizes.

9.8.1 (b) Bookkeeping and Administrative Costs

Up to 1% of the gross Super Jackpot receipts, Break Open Ticket receipts, Table Board Bingo receipts, Progressive Bingo Game receipts, Loonie Progressive Game receipts and up to 1% of the gross pooled bingo receipts may be used to pay for bookkeeping and administrative costs, (including HST) associated with each type of lottery. The Hall Charities Association must pay for these costs from the Association's share of the net proceeds. Only actual expenses may be charged. The 1% is a maximum allowable expense and must be supported by invoices. Funds to pay for administrative costs may not be pooled into a separate account.

The Hall Charities Association cannot pay any of the 1% allowed for bookkeeping and administrative tasks to:

- bingo hall owner/operators;
- any individuals or companies that do not operate at arm's length from the bingo hall owner/operator;
- members of the Hall Charities Association's board of directors; or cover legal fees.

9.8.1 (c) Transportation to Bingo Events

Hall operators and licensees may contract with transportation companies to bring customers to a bingo hall only under special circumstances and with the prior written approval of the licensing authority. The following policies apply to transportation to bingo halls:

- Both the licensee and the hall operator should agree that there is a need to arrange and provide the transportation;
- Where the route crosses one or more municipal boundary, all municipalities involved must approve this arrangement in writing;
- Transportation arrangements for a licensee may only be approved on an event-by-event basis;
- Hall operators and licensees may not compensate transportation providers on the basis of the number of players brought to the hall, the amount the players spend or lose, or the amount of time spent in the hall;
- Hall operators and licensees may provide directly to passengers coupons, contest entries, or other in-hall giveaways;
- Under no circumstances can transportation providers sell gaming products or provide a “package deal” that includes gaming products; and
- Transportation providers such as buses and taxis that deal directly with the public for the sole purpose of picking customers up, taking them to the bingo hall and returning them at the end of the evening do not require municipal pre-approval unless there are other restrictions that the municipality has imposed.

9.8.1 (c) (i) Promotional Items

The hall operator or licensee may provide passengers with free coupons, contest entries or other in-hall giveaways under the following conditions:

- the promotional items cannot be a payment to the transportation provider;
- the bingo customer cannot pay for the promotional items as part of a transportation cost; and
- the promotional items must be given directly to the customers by the

hall operator or licensee, not the transportation provider.

9.8.1 (d) “Hand-held” Personal Bingo Verifiers (PBVs)

A personal bingo verifier is a hand held device that individual bingo players may use to track and verify numbers as they are called by the bingo caller during the bingo game. Under no circumstances does a PBV replace the conventional method of playing bingo with bingo paper and dabbers; rather it is meant to assist the player with playing their cards or paper.

The provisions for the use of the PBV are set out in the Regular and Special Bingo Licence Terms and Conditions. Pursuant to the terms and conditions licensees may choose to offer the use of hand held PBVs provided:

- The maximum number of cards that may be played with a hand held personal bingo verifier does not exceed 36;
- A maximum of one PBV may be used per player, per session; and
- A cost sharing agreement must exist between the licensee and hall operator where the licensee is using the services of a hall operator.

Other provisions:

- Bingo must be played using bingo paper;
- While PBVs may be used by players to keep track of numbers called, players must dab their paper contemporaneously with the numbers being called (licensees should allow a moment for players to ensure that all numbers have been dabbled);
- Prizes shall not be paid unless the winning combination of numbers or symbols has been dabbled on the bingo paper;
- All bingos must be verified on paper and not through the use of a PBV; and
- Lease, rent or purchase of equipment (PBVs) must be from suppliers that are registered under the *Gaming Control Act, 1992* .

9.9.1 INELIGIBLE PAYMENTS

An organization's licensing privileges may be jeopardized if it makes the following types of ineligible payments:

1. Any payment to the hall operator that is not specifically approved of in the Terms and Conditions of the licence;
2. Payment for any type of service provided by bingo hall employees, except as permitted by the Terms and Conditions of the licence;
3. Transportation costs for customers, including bussing and taxi fares, unless pre-approved by the licensing authority;
4. Insurance for losses, including any type of contingency funds; and
5. Legal fees.

This list is not exhaustive. The licensing authority may deem other types of payments and expenses ineligible as well.

9.10.1 HALL CHARITIES ASSOCIATIONS

A Hall Charities Association is an association formed by the individual charitable organizations conducting Regular Bingo events at a bingo hall. All charitable organizations using Class “A” or Class “B” bingo halls must form a Hall Charities Association. (See Chapter 10 “Charitable Gaming Event – in Pooling Bingo Halls” for further information)

In Class “C” or other bingo halls, the formation of a Hall Charities Association is optional.

When setting up a Hall Charities Association, the member organizations must adopt a constitution and bylaws outlining their administrative objectives and establishing criteria for:

- electing a board of directors ¹;
- operating as a non-profit association;
- dissolving the association; and
- any other necessary procedures.

The Hall Charities Association has several important functions:

1. Individual charitable organizations must form a Hall Charities Association in order to apply for licences issued by the Registrar, such as Super Jackpot, Table Board Bingo and Break Open Tickets.
2. It gives the charitable organizations a common voice in discussions with the bingo hall owner/operator.
3. It simplifies the administration of lottery events licensed by the Registrar by allowing the Hall Charities Associations to use one licence and one designated lottery trust account.

¹ All persons elected to the board of directors of the Hall Charities Association must be active members of a charitable organization that is a member of the Hall Charities Association and must remain active members of their charitable organization during their term of office on the Hall Charities Association board of directors.

4. Any joint marketing plans for bingo advertising and promotion must be conducted through the Hall Charities Association. **(see section 9.7.4 “Joint Marketing Plans” for further information)**

The Hall Charities Association’s responsibilities are detailed in the Terms and Conditions of the licence. In general, a Hall Charities Association:

- schedules the dates and times of bingo events;
- determines the type of prize board (variable or fixed);
- determines the game schedule and the price of bingo paper;
- administers licences issued to the Hall Charities Association; and
- co-ordinates services supplied to the OLG.

The above tasks may be performed in consultation with the bingo hall owner/operator.

9.11.1 BINGO LOSSES

In the case of a loss at a bingo event, the charitable organization must pay the prize winners first. The payment may be made from the float and the gross receipts of the event. If there is still not enough money to pay the prizes, the organization may pay the prize winners by cheque from its lottery trust account.

The hall and the licensee must share the responsibility for a bingo loss. The licensee is responsible for 50% of the loss and the bingo hall owner/operator is responsible for the remaining 50%.

When there is a loss at an event, the licensee cannot reimburse bona fide member expenses.

See Chapter 10 – “Charitable Gaming Event – in Pooling Bingo Halls” for information on pooling bingo halls.

9.12.1 LOTTERY TRUST ACCOUNTS FOR BINGO EVENTS

A licensed 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. If the licensee (except for a Hall Charities Association) conducts more than one type of lottery event, it may hold either one designated lottery trust account for all lottery proceeds or a separate designated lottery trust account for each type of lottery.

Licensees that are permitted to accept American currency must also maintain a trust account in American funds, as set out in section 3.6.5 “Lottery Trust Accounts for American Currency.”

If the licensee maintains only one lottery trust account, the licensee must keep a separate ledger for each type of lottery event and for each licence issued. The bookkeeping and accounting requirements for each type of lottery are covered in detail in the Terms and Conditions for each type of licence.

See also section 3.6.1 “Designated Lottery Trust Accounts” for further information.

9.13.1 REQUIRED FINANCIAL STATEMENTS

The terms and conditions of lottery licences require organizations to provide the licensing authority with a verified financial statement within 180 days of the organization's year-end. The type of financial review required depends upon the licensee's gross annual revenues from all sources.

Licensees that receive less than \$250,000 in gross annual revenues shall prepare financial statements in accordance with the standards set out in the CICA handbook.

Licensees that receive \$250,000 or more in gross annual revenues shall prepare financial statements in accordance with the standards set out in the CICA handbook which have been audited by a public accountant.

The licensing authority may require an audited financial statement to be prepared at the licensee's expense at any time.

See section 3.6.6 “Financial Statements for Lottery Trust Accounts” for further information.

9.14.1 AMERICAN CURRENCY AT BINGO EVENTS

Eligible organizations conducting bingo events in towns that border the United States may accept American currency during the conduct of bingo events, which may include Break Open Tickets sales at bingo halls that have a substantial American clientele.

If the patron purchases bingo paper in American funds, the licensee must pay out any prizes won in American funds. If the paper is purchased in Canadian funds, the prizes must be paid out in Canadian funds. Charitable organizations may apply house rules, which may or may not require patrons to buy all bingo paper, including specials, in the same currency. These rules must be clearly displayed.

Eligible organizations that accept American currency must keep separate Canadian and American lottery trust accounts that have been designated as trust accounts by the branch of a recognized financial institution in Ontario, and must deposit the funds into the corresponding account. Hall Charities Associations must maintain a separate American trust account for each type of licensed event.

The organizations must pay all lottery expenses and draw funds for approved eligible uses by cheque from the Canadian account. The American account may only be used to deposit the American currency collected during the event, with the exception of withdrawals for a cash float for the conduct of a bingo event. Expenses, donations or any other withdrawals cannot be made from this account unless the licensing authority grants permission. The maximum amount that may be accumulated in this account is the total value of the prize board.

When enough money (more than the licensed prize board) has accumulated in the American account, it must be transferred to the Canadian bingo lottery trust account. The date of the transfer, the exchange rate, and any premium or loss (at buying rate), as well as any donations made from the Canadian account, must be recorded on the financial report form and in the financial ledgers.

The licensee may transfer funds from the American account to the Canadian account without the pre-approval of the licensing authority. The licensee must transfer funds if the licensing authority requires them to be transferred.

9.15.1 ELECTRONIC FUNDS TRANSFER (EFT)

EFT allows for the transfer of funds between accounts by electronic means. EFT may be used:

- By a Licensee to deposit monies into its Designated Lottery Trust Account, to pay for expenses or to disburse net proceeds derived from the conduct of its lotteries for programs; and
- By a Hall Charities Association to pay for expenses, to deposit monies into its CDTA or to distribute net Charitable Gaming Event proceeds to its member organizations.

The provisions for Licensees and Hall Charities Associations that choose to implement EFT are detailed in the *Registrar's Standards, Financial Management and Administration*. In general:

- Licensees must decide in accordance with their constitution whether to implement EFT.
- Each member organization that chooses to use EFT must provide the Hall Charities Association its banking information, on the prescribed form for each Designated Lottery Trust Account to receive funds electronically.
- The Licensee or Hall Charities Association must ensure that its financial institution's Electronic Funds Transfer system has the capability of supporting electronic dual authorization as the transfer of funds must be authorized by two of four Bona Fide Members that have been designated to administer EFT.
- The Licensee or the Hall Charities Association must obtain reports from the financial institution confirming the electronic transfer of funds and any discrepancies.

- These reports must be reviewed by the two Bona Fide Members who did not sign the original authorization for the transfer of funds. These members must also prepare a report to be presented to the Licensee's or HCA's board of directors, as the case may be.

9.15.1 (a) Forms of Electronic Banking Not Permitted

The Licensee and Hall Charities Association must not use other forms of electronic banking such as:

- automated teller machines (ATMs);
- debit cards;
- internet banking; and
- telephone banking.

9.15.1 (b) Inappropriate Uses of Electronic Funds Transfer

Electronic Funds Transfers must not be used to pay for certain expenses including:

- reimbursement of out-of-pocket expenses for bona fide members;
- licensing or authorization fees; and
- HCA Administrator;

Please refer to the *Registrar's Standards, Financial Management and Administration* for further information.