

The role of the Alberta Gaming and Liquor Commission and the intent of these Terms & Conditions is to ensure the integrity of licensed pull tickets in Alberta and to maximize the financial returns to charitable organizations.

### **A. ELIGIBILITY GUIDELINES**

1. Nature of the Group: Only charities and religious groups are licensed. A charitable or religious organization must provide a program that benefits the community, such as:
  - a) Relief of the aged and disadvantaged.
  - b) Advancing education and learning.
  - c) Making improvements to the quality of health, supporting medical research, or aiding medical treatment programs.
  - d) Providing a facility for the community's use.
  - e) Supporting competitive amateur athletics.
  - f) Providing places for public worship and other religious programs.
2. Membership, Programs and Structure: Membership in the group must be voluntary. The executive must be democratically chosen from its volunteer base. Members, directors and officers must not be paid. Programs must benefit the community, not the members' self-interest.
3. The group must be not-for-profit, and have a broad based volunteer membership. The volunteers must establish, maintain control of and deliver the group's programs.
4. Groups licensed to sell pull tickets must be incorporated. Acceptable forms of incorporation include:
  - a) Societies Act.
  - b) Part 9, Companies Act.
  - c) Part II, Canada Corporations Act.
  - d) Other Alberta Statutes.
  - e) Charter from a recognized international governing body, e.g., service club charter.

### **B. COMPLYING WITH THE LEGISLATION AND LICENCE**

1. Pull-tickets shall be sold according to the Criminal Code of Canada, Gaming and Liquor Act, Gaming and Liquor Regulation, AGLC policies, the licence and these Terms & Conditions. Note: licence requirements may show changes from original application.
2. Pull-tickets shall not be sold to or encashed for persons under the age of 18 years.
3. Unless otherwise approved, licensees must pay a licence fee of \$10.00 per unit of pull-tickets directly to the AGLC at the time of application for licence.

4. Bingo associations licensed to conduct pull-ticket sales shall comply with Section 5 of Bingo Terms & Conditions and Operating Guidelines.
5. Pull-ticket sales shall not be delegated to another group or to a person who is not a member of the licensed group.
6. Changes to a licence may only be made through a licence amendment issued by the AGLC. Requests for approval to amend a licence shall be made in writing to the AGLC by an executive officer of the licensee.
7. The licensee shall pay all winning tickets that are presented for payment and that are from units the licensee has sold.
8. All municipal, provincial and federal laws shall be obeyed.
9. The AGLC shall be given access to all areas where pull-tickets are sold or kept. They may examine any ticket or related document and remove them for further review.
10. Any suspected cheating or other problem shall be reported immediately to the AGLC at 1-800-742-7818 (24-hour).

### **C. POSTING OF LICENCE AND HOUSE RULES**

1. The licensee shall establish and submit to Regulatory Division house rules governing pull-ticket sales. The rules shall comply with these Terms & Conditions. Both the licence and house rules shall be displayed at sales areas. The house rules shall include:
  - a) The notice that pull-tickets will not be sold to or encashed for persons under the age of 18 years.
  - b) The notice that tickets are sold for cash only. Cashing cheques or extending credit is prohibited.
  - c) Sellers are not permitted to purchase tickets while selling.
  - d) The number of major winners remaining in or sold from a unit in play shall not be disclosed to anyone.
  - e) Disputes will be resolved by management. Unresolved disputes may be referred to the AGLC.
  - f) Winning tickets will be redeemed only if identifiable with a unit sold by the licensee.
  - g) Procedure used when Seal Card winner cannot be located.

## D. TICKET STANDARDS AND TICKET APPROVAL

1. Only tickets and units that meet the following standards shall be approved:
  - a) Individual Tickets
    - Hidden symbol(s), letter(s) or number(s) on individual tickets shall not be seen using an outside light.
    - Ticket windows cannot be previewed.
    - There can be no difference between winning and non-winning tickets other than symbol, letter and number configurations in windows. For example, there shall be no differences in colour quality, edge shear marking, or graphic marking.
    - When a licensed group sells pull-tickets:
      - six days a week or more, no individual winning ticket shall be valued at more than \$1000.00.
      - less than six days a week, no individual winning ticket shall be valued at more than \$500.00.
  - b) Units
    - Winning tickets shall be randomly seeded in each unit.
    - Each unit shall be packaged to prevent tampering.
    - All tickets of a unit shall be contained in heat sealed box(es) or bags.
    - All tickets in each unit shall have a unique serial number.
    - There shall be no more than 10,000 tickets in each unit.
2. Manufacturers and/or registered suppliers of pull-tickets must submit a sealed unit of all new pull-ticket products to the AGLC for approval prior to distributing them in Alberta. When a unit is submitted the manufacturer shall provide a flyer, pamphlet, catalogue or flair showing the variations of the same game. The AGLC will test each product for compliance with the standards noted in Section D. and Section E. of these Terms & Conditions and advise the manufacturer or registered supplier in writing if the unit is approved or not approved for distribution.
3. Should a manufacturer add an additional game to an approved series, or request approval of another unit not previously approved for the series, a flair providing particulars of the new game shall be provided to the AGLC. The AGLC will either approve, decline or request a unit for examination.
4. Should only the graphics on any approved pull-ticket units be changed, no additional approval is required. Any change to the number of tickets per unit or the prize payouts requires the submission of a new flair identifying such changes to the AGLC.
5. The AGLC reserves the right to request a sample of any unit at any time.

## **E. APPROVED GAME FORMATS**

1. Pull-ticket winners shall only be determined by the use of symbols, letters or numbers that appear in the windows and paytables of pull tickets and of seal cards. Secondary symbols, letters, numbers or a random selection process extraneous to the pull-ticket unit shall not be used to determine prize winners.
2. Only game formats that meet the following requirements shall be approved:
  - a) Instant win cash lottery ticket constructed of cardboard.
  - b) The game payable appears on the front of each ticket.
  - c) One or more sealed windows are on the back of each ticket.
  - d) Winning tickets are determined by the player detaching the window seal tab(s) of an individual pull-ticket and disclosing a symbol, letter or number configuration that matches a symbol, letter or number configuration and corresponding prize in the game payable.
  - e) Opened ticket windows may also contain secondary markings to assist identification of winning tickets, such as a line through winning symbols, dollar amount of the prize, a verification code etc.
  - f) Pull-ticket games may include a feature whereby players can win the opportunity to enter a seal card lottery to win additional prizes.
3. Seal cards shall comply with the following:
  - a) Have a place on the seal card for players names to be entered beside the symbol, letter or number that matches the symbol, letter or number appearing in the open window of their pull-ticket.
  - b) One or more sealed windows on the seal card containing the symbol, letter or number corresponding to the symbol, letter or number on the seal card appearing beside one or more of the player's names.
  - c) The dollar value of the prize for each seal card window shall be indicated on the seal card.

## **F. SALES**

1. All pull-ticket units shall be purchased from a supplier that is a registered gaming supplier pursuant to Section 27(c) Gaming and Liquor Regulation. All purchases shall be paid for by cheque, and shall be supported by a dated invoice showing:
  - a) group's name;
  - b) pull-ticket licence number;
  - c) type of unit, colour, and unit serial number;
  - d) number of units bought;
  - e) price per unit; and
  - f) total amount of purchase.
2. Only pull-tickets approved by the AGLC shall be sold.

3. Pull-ticket sales shall be restricted to the licensee's premises unless otherwise approved by the AGLC. Pull-tickets can only be sold in the specific area approved on the licence.
4. Groups can be licensed to sell pull-tickets at special events, such as a sports event or an arts or cultural festival, under the following conditions:
  - a) The sales are restricted to the premises or area specified on the pull-ticket licence.
  - b) The hours of sale conform to the hours of the special event.
  - c) The licensed charity has a written agreement with the event operators, a copy of which shall be submitted to the AGLC upon request.
  - d) No new units are to be opened unless there is a reasonable expectation they will be sold before the event ends.
  - e) All other terms and conditions are met.
5. Pull-ticket sellers shall not purchase tickets while on duty. Off duty sellers shall not buy tickets from units they have sold or from any other unit they may know the status of.
6. Patrons may draw or pick their own tickets from the approved pull-ticket container. Pull-ticket sellers must be present to observe and verify that the number of tickets drawn or picked by the patron equals the number of tickets purchased by the patron.
7. Units shall be opened for sale and be immediately emptied and thoroughly mixed into an approved container in view of the public. All sales are to be made from an approved container. Approved containers shall be:
  - a) Transparent and hard sided.
  - b) Open to viewing by buyers.
  - c) Able to hold a minimum of one seal card unit, or hold a minimum of one and one half standard ( ie., non seal card) units.
8. New seal card units shall be a different colour than the previously sold unit.
9. When it appears all winning tickets of a value of \$5.00 and over have been paid, the licensee has the option of removing the unit(s) from sale.
  - a) All unsold and winning tickets shall be sealed in a plastic bag. The unit's serial number and the date the bag is sealed shall be placed on the bag.
  - b) The bag shall be kept in secure storage, and shall be retained for a minimum of six months.
  - c) The unit(s) cannot again be put out for public play.

10. Except for Seal Card Units, the licensee shall co-mingle all units. Co-mingling must be conducted as follows:
  - a) Co-mingled units must be the same type, colour, and number of tickets per unit.
  - b) If the licensee wishes to change the type, colour, or number of tickets per unit being sold, the pull-ticket container must be sold out completely before changing units.
  - c) When a unit is approximately half-sold, an additional unit shall be added to the pull-ticket container and must be thoroughly mixed in with the remaining tickets.
  - d) An entire unit must be added at one time and must be contained within the pull-ticket container.
  - e) Every four months and at the end of the licence period, each pull-ticket container which has co-mingled units must be sold out completely, and sales and deposits reconciled for audit purposes.
  - f) Pull-ticket units containing a "Seal Card" feature shall not be co-mingled.
11. Pull-tickets with a "Seal Card" feature shall be sold under the following conditions:
  - a) Co-mingling of units is not allowed.
  - b) The seal card shall be conspicuously posted in full view of the players at the location where the game is held, operated or conducted.
  - c) Names of holders of pull-tickets which contain the matching predesignated symbols, letters or numbers on the seal card shall be printed on the appropriate line, next to that symbol, letter or number on the seal card.
  - d) The licensee is responsible for obtaining sufficient information to locate the winner(s) if the winner(s) are not present when the seal(s) is removed.
  - e) If the winner(s) cannot be located within 30 days of the seal card window(s) being opened, a Discrepancy Report must be submitted to the AGLC, together with the licensee's recommendation for disposition of the prize.
  - f) When the Seal Card is completed and all tickets with a prize value of \$5.00 and over appear to have been sold, or all tickets have been sold, the seal may be removed to reveal the prize(s) and winning line(s). Any tickets not sold must be handled as required under Section F.9. of these Terms & Conditions.
  - g) The seal(s) shall be removed in the presence of two representatives of the licensee. The representatives will acknowledge their presence by signing and dating the Seal Card. The Seal Card shall form part of the licensee's pull-ticket records and must be retained as per Section I.3. of these Terms & Conditions.
  - h) If all tickets have been sold and the Seal Card has not been completed (ie., all lines do not have a name), the seal(s) shall be removed. If the winner(s) are blank lines, the licensee must complete a Discrepancy Report to AGLC with a recommendation for disposition of the prize.
12. Sellers shall permanently deface all winning tickets of a value of \$5.00 and over, once the prize has been paid. Use of a permanent mark marker or a hole punch is recommended. If all tickets in a unit are sold, and the seller has balanced, winning tickets can be destroyed. (Does not apply when a partial unit is removed from sale as per Section F. 9. of these Terms & Conditions).

## G. SECURITY

1. AGLC strongly recommends that once a unit has been assigned to a seller, only the assigned seller sell from the unit.
2. All complete or partial units, not under a seller's control, shall be kept in locked, secure storage.
3. Separate, lockable storage areas shall be provided to each seller. Sellers shall store their cash box and partially sold units in this area. Keys to the seller's storage area shall be kept only by the seller.
4. Keys to the storage area for new units shall be kept only by the pull-ticket coordinator.

## H. PROCEEDS AND EXPENSES

1. **Proceeds** shall be spent only on approved uses.
2. Up to 10 percent of the net revenue may be used for the administrative costs of pull-ticket sales including wages for sellers. Net revenue equals gross **proceeds** less prize payouts and unit costs, including GST.
3. A separate pull-ticket bank account shall be established. The account shall have chequing privileges, and monthly return of cancelled cheques. All revenue, after prizes are paid, shall be deposited into this account, and all payments shall be made by cheque, including the maximum 10 percent administrative costs, and other approved expenses.
4. **Proceeds** shall be left in the pull-ticket account until spent on approved uses. If not required immediately:
  - a) Funds may be put into a separate interest-bearing account, or be used to buy deposit certificates.
  - b) The financial institution, account or deposit certificate number, and total value of the transfer, shall be identified on financial reports.
  - c) All interest becomes part of gaming revenue.
  - d) When needed, **proceeds** shall be transferred back to the pull-ticket account.
  - e) All funds shall be paid out only by cheque.

## **I. FINANCIAL RECORDS, REPORTS AND AGLC AUDITS OF THE LICENSEE AND RELATED ENTITIES**

1. The licensee is required to keep accurate financial records. The following forms shall be used:
  - a) Pull-Ticket Reconciliation,
  - b) Pull-Ticket Inventory and Record of Sales.
2. The following reports are forwarded by the AGLC, and must be returned, with supporting documents, within 60 days of the mail-out date:
  - a) Yearly Pull-Ticket Financial Report if the licence period is more than twelve months.
  - b) Final Pull-Ticket Financial Report if the licence period is less than twelve months.
3. All pull-ticket records shall be kept for two years after the licence expires (excluding defaced winning tickets). The AGLC shall be allowed to view and make copies of all records related to pull-tickets. This includes any location, or financial institution, where records may be kept. The AGLC may remove these records for further examination.
4. The licensee's books and records are subject to review and or audit by the AGLC and must be maintained in a manner acceptable to the AGLC and Revenue Canada.
5. The areas normally subject to audit will include, but not be limited to:
  - a) Books of original entry (including computerized records):
  - b) Invoices;
  - c) Bank statements and cancelled cheques;
  - d) Pull-Ticket Reconciliation and Pull-Ticket Inventory and Record of Sales;
  - e) Contracts, agreements or similar documents;
  - f) Payroll records;
  - g) Income Tax and Goods and Services Tax Returns;
  - h) Minutes of AGM and Executive meetings;
  - i) External accountant's/auditor's working paper files;
  - j) Annual (audited) financial statements;
  - k) The business and financial records (as outlined above) of any entity (including but not limited to Societies, Non-profits, Associations, Community Leagues, Corporations, Partnerships, Limited Partnerships, Joint Ventures, Proprietorships, etc.) that is related to the licensee and/or an executive or board member of the licensee that is in receipt of any of the licensee's gaming funds either directly, indirectly or through a series of transactions.