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## Lotteries Information Brochure

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# Raffles ● Casinos ● Bingos



This brochure is a summary of policies, licensing procedures, terms and conditions;  
It is not a complete guide. Questions should be directed to the  
Licensing Officer, or the Deputy Registrars of Lotteries

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In Yukon, the Registrar of Lotteries is empowered to issue gaming licences for bingo, casino and raffle events, in accordance with established statutory provisions.

The Registrar is appointed under Section 8 of the *Lottery Licensing Act* and is responsible for the following functions:

1. To receive and review gaming licence applications;
2. To determine eligibility for and issue gaming licences;
3. To conduct interviews and exchange information with applicants;
4. To investigate activities related to gaming events;
5. To provide technical and professional gaming advice;
6. To perform audits of financial records;
7. To carry-out inspections of gaming events;
8. To establish and enforce terms and conditions of licences;
9. To monitor gaming activity for legislative compliance; and
10. To provide public education on charitable gaming.

Note: There may be one or more Deputy Registrars to assist the Registrar in the performance of these functions, or to act in the Registrar's absence.

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## Submitting Applications

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Application forms are available:

- from the office of Consumer Services, located 307 Black Street.
- by facsimile (please call 867-667-5111);
- by mail upon request;
- from territorial agents located in Yukon communities.

To apply for a gaming licence, an application form must be completed and submitted to the Registrar.

Applications from eligible organizations should be submitted at least **two weeks** before the projected starting date of the event to allow sufficient time for processing the application and mailing of the licence.

### New Applicants

New applicants will be required to complete and submit a questionnaire and a recent financial report for the society. This information will assist the Registrar to determine if the organization that is applying for the gaming licence is charitable. Please note we require **two weeks** to review and respond.

Once the organization is approved to be charitable then you may wish to make application for licence to hold a bingo, raffle, or 3 day casino event. Applicants are required to submit their application at least **two weeks** in advance of the proposed event, to allow for sufficient processing time.

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## Eligibility

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Only charitable or religious groups qualify for a gaming licence if the proceeds gained from the gaming event are used for charitable or religious purposes. **Conducting a gaming event without a licence is a Criminal Code offence.**

Legal authority for charitable gaming is established by the Criminal Code (Canada), with delegated regulatory authority to provincial and territorial governments. The Yukon *Lottery Licensing Act* and *Regulations* are part of this legislative scheme.

The Registrar of Lotteries must determine eligibility of an applicant organization for lottery licensing purposes. In doing so, the Registrar will rely on the following authorities:

Criminal Code  
Yukon Lottery Licensing Act and Regulations;  
Case Law;  
Common-Law Applications; and  
Internal Policies

*(Note: groups found eligible for a gaming licence must maintain eligibility requirements which are subject to review at any time)*

## **CRIMINAL CODE**

The Criminal Code is Canada's paramount gaming legislation. In general, this federal legislation prohibits gaming activity in Canada; however, it does provide for some exceptions.

Among its provisions, the Criminal Code delegates authority for regulation and licensing of gaming events held by charitable or religious organizations, if the proceeds derived from this activity are used for charitable or religious purposes.

The Criminal Code also provides for the Registrar of Lotteries to establish terms and conditions for the operation, conduct and management of the licensed gaming event.

## **LOTTERY LICENSING ACT**

In accordance with this *Act*, the Registrar may, on application, issue a licence, subject to prescribed terms and conditions, to a charitable organization to hold a lottery scheme.

Section 1 of the *Lottery Licensing Act* defines a charitable organization as:  
*"an organization that does not carry on any business or activity for direct or indirect pecuniary gain to its members and whose sole or predominant objects or purposes and activities are for*

- a) *the relief of poverty or disease,*
- b) *the advancement of education,*
- c) *the advancement of religion, or*
- d) *the advancement of any cultural, recreational, athletic, or other*

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*activity or program which is beneficial to a Yukon community.*

## **COMMON LAW**

The “Pemsel Test” is a widely used classification method that the courts use in determining whether or not an organization has charitable status. The Pemsel Test evolved from the of noteworthy case “*Commissioners for Special Purposes of the Income Tax v Pemsel*” in which acceptable charitable categories were established.

The four broad “Pemsel” categories include:

1. Relief of poverty;
2. Advancement of education;
3. Advancement of religion; and
4. Other purposes beneficial to the community.

In arriving at these categories, the Pemsel case relied upon the *Preamble of the Statute of Elizabeth (1601)*, which gives numerous examples of charitable purposes.

## **CASE LAW**

Case law has long recognized and applied the “Pemsel” categories as a guideline when determining charitable status. Further principles applied by the courts are cited in the 1999 Supreme Court decision, *Vancouver Society of Immigrant Women and Visible Minority Women vs. Minister of National Revenue*”. They include:

- *There must be voluntarism or altruism that is, giving to third parties without receiving anything in return other than the pleasure of giving.*
- *The activity must provide an objectively measurable public welfare or socially useful benefit to the community. The benefit must also be available to the whole community or a sufficiently large section of the population or class of the community to be considered a public benefit.*
- *To qualify as charitable, the purpose of an organization must be exclusively charitable. All the resources of the organization must be devoted to charitable activities carried on by the organization. No part of the income of the organization may personally benefit a proprietor, member, shareholder, trustee, or settlor. (The pursuit of purposes that are ancillary or incidental to the primary charitable purposes of an organization does not cause a breach of the requirement that the organization be exclusively charitable.)*
- *The mere fact that a purpose is to provide a public benefit does not make the purpose charitable. To qualify as charitable, a purpose must be beneficial to the public “in a way the law regards as charitable”.*

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## **POLICY**

The following policy documents provide a framework that will guide the licensing authority in determining the charitable status and acceptable use of proceeds of an organization:

- 1. *Basic Eligibility***
- 2. *Use of Proceeds***
- 3. *Interview Questionnaire***

### **1. BASIC ELIGIBILITY**

The organization must be organized and structured for the purpose of delivering programs for community service or for public benefit in one of the following categories:

**Relief of Poverty or Disease:** This includes programs: for the relief to the poor, for the elderly so they can remain active in society and educational or social programs for the emotionally or physically distressed.

**Advancement of Education and Learning:** This includes programs for: student scholarships, aid to schools, assistance to libraries and museums, and assistance for the performing arts and humanities.

**Advancement of Religion:** This includes programs for: the advancement of any recognized religion. Established religious organizations and churches are considered to be charitable organizations through the provision and maintenance of places of public worship and other religious purposes.

**Other Purposes Beneficial to the Community as a whole:** This includes making improvements to the quality of health, and supporting medical research. Also included is the advancement of any cultural, recreational, athletic or other activity or program beneficial to a significant portion of the community or the encouragement of physical fitness through organized competitive activity and providing community use facilities.

### **Structure of Eligible Groups**

Eligible groups must:

- Operate on a not-for-profit and primarily charitable or religious purpose
- Deliver programs that benefit a significant segment of the community, and not for the members' self-interest
- Have a broad-based volunteer membership that represents the entire community
- Have volunteers who are responsible for establishing, maintaining control of, and delivering the group's programs
- Be actively delivering a charitable program to the community before applying for a gaming licence (1-year requirement). This requirement is to ensure eligible groups have pre-existing support in the community and do not rely upon gaming funds for program delivery.

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## 2. USE OF PROCEEDS

Gaming proceeds may only be used to further the charitable or religious organizations primary purpose or objective.

The Registrar evaluates each specific item on the application to determine whether the proposed use of proceeds relates directly to the organization's charitable or religious activities.

Allowable use of gaming proceeds must be approved by the Registrar and must be identified on the application. If an organization wishes to amend its proposed uses of gaming proceeds, the amendments must be submitted in writing, by an executive officer of the licensee, to the Registrar for approval prior to any expenditure being made.

### Following are examples of Registrar-approved use of gaming proceeds:

- purchase or rental of equipment, furnishing and supplies that are essential to the delivery of the organization's charitable services or programs. Ownership of these purchased items must remain with the organization. Items of a personal nature may not be purchased with gaming revenue.
- Expenses related to providing specific educational equipment and supplies that would otherwise be unavailable. In this type of expenditure, the ownership of assets would be vested in the institution or school.
- Relief for individuals or families in personal distress or the victims of a physical disaster. This type of expenditure could include medical equipment or apparatus not normally available to individuals through the health insurance system.
- Travel expenses, in some cases. A travel itinerary must be completed and submitted for approval.
- Donations to other charitable or religious organizations including those outside the Yukon as approved by the Registrar.
- Wages, honorariums, fees for service if the duties are essential to an organization's charitable work in the community. For example, employee wages are approved if volunteers cannot reasonably perform the operational duties if the services provided require either technical skill and or a degree of specialized qualifications, and the duties performed are not administrative such as the functions of a Board of Directors.
- Food, supplies, and clothing—only if they temporarily assist those who are in financial need, distress or suffering; or experiencing social disadvantage. (Examples of eligible beneficiaries would include: sick and dying, disabled, homeless, refugees, low income families and street shelters).

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### 3. INTERVIEW QUESTIONNAIRE

The Interview Guide provides a framework to assist the Registrar in determining whether the applicant organization is a charitable organization.

The questionnaire is consistent with the judicially recognized purpose for and value of policy guidelines – to let the applicants know what the decision-maker takes into account in making decisions in applications.

The questionnaire covers the following questions:

**Name of organization**

**Purpose of the organization; as stated in the Society's constitution:**

The initial test to determine “charitable” is for an organization to have a charitable object/primary purpose. The courts have determined that the term “charitable” refers to organizations whose primary purpose is to provide programs/services in **one** of the following four categories.

1. The relief of poverty or disease,
2. Advancement of education
3. Advancement of religion
4. Or the advancement of any cultural, recreational, athletic or other activity or program which is beneficial to a Yukon community.

**Choose the category that best describes the services that your organization provides.**

**List, with dates and times, all of the types of programs or services delivered by the group in that one category.** (e.g. if the organization chooses #2. *Advancement of Education*, the group would then list all of the programs that it provides in the community in order to advance education).

**Describe the locations where the programs or service delivery take place (e.g. recreation centre, library, school, etc.) & how many volunteers are involved with delivery of the program.**

**How many people from the community participate in the programs or receive services from the organization? Is there a fee charged?**

**How many of the participants or recipients of the organization's programs or services are group members (members of the society) and how many are members of the public:**

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**Provide a number of how many persons may potentially benefit from the programs or services offered by your organization:**

**List the programs or services that are restricted to members and those which are open to the general public:**

**Explain why your organization's programs or services are important to the community:**

**Describe how the group's programs or services are distinct or unique from any other similar programs or services already provided in the community:**

**How does the organization plan to use the gaming proceeds?**

***\*Please enclose a copy of the society's financial statements with the questionnaire. The statements must clearly show that the group has pre-existing financial support in the community and does not rely on gaming funds for program delivery. The group must have been in existence for one year before making application.***

#### **4. ELIGIBILITY APPEAL PROCESS**

If a group is found ineligible for licensing, the Registrar of Lotteries will send a letter to the group outlining the reason(s) for the decision.

If the group disagrees with the decision, it may appeal in writing. The group may request a hearing before the Yukon Lottery Appeal Board.

When the appeal period has expired and the group has not requested a hearing before the Appeal Board, the group must wait two years before re-applying for a licence.



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## Filing and Retention of Financial Documents

All financial documents, unsold tickets, ticket stubs, receipts, and all other records in connection with the lottery must be retained within the Yukon for at least one year after the licence expires and must be made available for inspection by the Registrar.

Financial reporting, must be submitted to the Registrar on the managing of the gaming event as follows:

- Single event - Final Report
    - within thirty (30) days of completion
  - Several events: Interim Report
    - within thirty (30) days of the end of each three month period,
- and
- Final report
    - within thirty (30) days of the expiration of the licence.
  - Use of Proceeds Interim Report
    - six month intervals until the proceeds of the raffle have been spent
  - Investigation At any time at the Registrar's request

All financial reports must be submitted as required before another gaming license can be issued to the organization. (2 weeks are required for reconciliation of reports).

### **EVENTS LICENSED FOR TICKET VALUE OR GROSS SALES OF \$10,000.00 OR LESS**

Any charitable organization that conducts a raffle event with a total ticket value of \$10,000 or less, or any bingo or 3-day event casino with gross sales of \$10,000 or less – will be required to submit a report. Supporting documents such as cancelled cheques, invoices, control sheets, etc., do not need to be submitted, but must be kept on file for one year after your licence expires.

**The Office of the Registrar will conduct random audits.**

### **EVENTS LICENSED FOR TICKET VALUE OR GROSS SALES EXCEEDING \$10,000.00**

Any charitable organization that conducts a raffle event with a total ticket value of more than \$10,000, or any bingo or 3-day event casino with gross sales of more than \$10,000 has the option to:

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(A) Submit a financial report accompanied by supporting documents such as invoices, and bank statements, control sheets (if applicable). Cancelled cheques do not need to be submitted.

**OR**

(B) Submit a financial report prepared by a professional accountant. Charitable organizations may use gaming proceeds to pay a professional accountant for services rendered in preparing a year-end financial report. This report will clearly outline all of the approved use of proceeds and the expenditures for these proceeds. If this option is chosen, this must be indicated on your licence application. The organization will still be required to submit financial reports as set out in their licence and at the intervals stated. Supporting documents such as invoices, and bank statements, control sheets (if applicable) and cancelled cheques will not be required but must remain on file in the event you are audited.

**The Office of the Registrar will conduct random audits.**

Financial reporting forms and instructions are available from the office of Consumer Services, and can also be found on the Government of Yukon Website, at <http://www.gov.yk.ca/forms/index.html> . Please refer to category (L) Lottery Licensing Act.

### **TYPES OF GAMING LICENCES**

**Raffle Licence:** Lottery scheme where tickets are sold on a random chance of winning a prize, excluding break-open and scratch tickets but including schemes such as Single Day Raffles (50/50 draws, meat draws), calendar draws, sports pools, rubber duck races, poker runs, etc.

Regular Ticket Raffle: The most common type of ticket raffle is “regular ticket raffle”. Prize winners are determined by drawing ticket stubs from a draw container. Regular raffles include early bird draws.

Early Bird Draws: These are early draws that will lead up to a chance to win the main prize. During these draws, the early bird winning tickets must be returned to the draw in order that the early bird winner also has a chance to win the main prize.

Single Day Raffles: This raffle lottery is commonly referred to as a roll ticket draw. These ticket sales and draws take place on a single day at a single location. A series of draws (at the organizations discretion) may be held on each draw date. Single day raffles include:

- Percentage based raffles such as 50/50, where the prize is a percentage of the money earned through tickets sales.
- Meat/product draws, or other pre-approved prizes by the Registrar’s office.

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All tickets sales (up to the licensed ticket sale value) must be made in an area specified in the licence and the draw of the winning tickets is to be held in that area within 7 hours of when the sale start.

Sport Lotteries – Pool Board: This is a lottery board established in relation to a sports event or series of sports events and licensed as a raffle.

Raffle rules for Sports Lotteries – Pool Board's will include:

- name and address of the licence holder.
- the sports event and its date, or the series and its dates.
- the prizes.
- the scores and times.
- the number of squares printed, the price per square.
- the licence number.
- the score or time must not be disclosed until the purchaser has bought the square.
- ice pools – participants choose their own time.
- a sample of the board must be provided to the Registrar.
- the licence fees for this type of raffle is determined by multiplying the number of tickets or squares by the cost of the ticket or squares.

Raffle rules include:

- Awarding the prizes in the following order: most valuable prize first, and so on. The more valuable prizes must be drawn before the tickets of the less valuable prizes.
- A copy of the licence must be available for anyone who asks to see it.
- All advertisements must state the licence number.
- The control of the raffle is the responsibility of the licence holder.
- The licence fees for a raffle is determined by the planned total value of the ticket sales, as follows:

<b>Licence ticket sale value</b>	<b>Fee</b>
\$1,000 or less	<b>\$10</b>
1,001 to 5,000	<b>\$25</b>
5,001 to 10, 000	<b>\$50</b>
10,001 to 15,000	<b>\$75</b>
15,001 to 20,000	<b>\$100</b>
20,001 to 25,000	<b>\$125</b>
25,001 to 30,000	<b>\$150</b>
\$30,001 to 35,000	<b>\$175</b>
35,001 to 40,000	<b>\$200</b>
40,001 to 45,000	<b>\$225</b>
More than 45,000	<b>\$250</b>

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- Only the number and price of the tickets specified in the licence may be printed.
- A sample of the ticket must be provided to the Registrar.
- Tickets must be numbered consecutively.
- The ticket will be in two parts:

**the ticket stub must have:**

- a) the ticket number,
- b) the licence number, and
- c) space labelled for the name, address, and telephone number of the purchaser.

**the part given to the purchaser must have:**

- d) the name and address of the licence holder,
  - e) when and where the draws will be made,
  - f) the kind and value of prizes,
  - g) the number of tickets printed,
  - h) the ticket price,
  - i) the ticket number,
  - j) the licence number.
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- unsold tickets must not be given away or bought by the holder of the licence.
  - tickets must not be sold or advertised outside the Yukon (they may be sold to people visiting the Yukon).
  - there must be a record of all ticket sellers and the serial numbers.
  - the number of tickets sold must be recorded and the sale money must be accounted for.
  - once the licence has been issued, changes can only be made with the written consent of the Registrar.
  - the draw for the date of the lottery cannot be changed after the lottery tickets have gone on sale.
  - all prizes described in the licence must be awarded even if the revenue from the lottery is not enough to pay for the prizes.
  - if the total value of the prizes exceed \$5,000 a guarantee is needed for all the prizes.
  - the prizes for each game must be awarded to the winners of that game.
  - people cannot be required to win another game before receiving the prize for a game they have already won.
  - terms and conditions that are stated in the licence must be adhered to by the organization.

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**Bingo Licence:** A bingo licence authorizes a bingo event in a specified facility.

Bingo is a form of charitable gaming that is conducted by eligible charitable or religious organizations that have obtained a bingo licence from Consumer Services. Volunteers of the licensed organization conduct and manage the bingo.

**Bingo is game of chance where:**

- (a) a ball is selected at random from 75 “ping pong” type balls each printed with a letter from the word “Bingo” and a number from “1” to “75”.
- (b) the letter and the number on the selected ball is announced to the players
- (c) immediately after each announcement, the players indicate whether the letter and number combination appears on a card, sheet or screen by marking or placing a marker upon the corresponding square; and
- (d) the game continues until a winner is declared.

**Bingo event:** Is an event where successive bingo games are played as outlined in the licence.

*Bingo rules will include:*

- established house rules describing all aspects of how the bingo will be run (e.g. how the games will be called, how calls will be recorded) must be made by the organization. These rules are posted for everyone to see.
- a copy of the licence must be displayed.
- all advertisements will have the licence number on them.
- the licence holder is responsible for the control of the bingo.
- people who help run the bingo cannot play and they cannot have other people play for them.
- there is no liquor to be sold or consumed during a bingo game.
- cards and tickets cannot be sold outside the Yukon.
- no organization can run a bingo for more than 104 days a year.
- the fee for a bingo is \$10.00 for each day the bingo is licensed to run.
- once the licence is issued changes can only be made with the written consent of the Registrar.
- all prizes described on the licence must be awarded even if the revenue from the lottery isn't enough to pay for them.
- if the prizes are more than \$5,000.00 a guarantee for the prizes is required before the licence can be issued.

**Public Complaints Concerning the Conduct of Bingo Events**

The licensee is encouraged to deal with all complaints in a fair and equitable manner. Complaints about the conduct and management of bingo events may be submitted, in writing, to Consumer Services.

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Written complaints will be reviewed and when a possible breach is identified the branch will bring the complaint to the organization's attention for remedy.

**Casino Licence:** A casino licence authorizes the formation of a casino for operation up to 3 days consecutively.

**Casino Event:** Is the event at which various games of gambling such as blackjack and wheel of fortune are played.

**Casino Games:** Are the games known as blackjack, red dog, roulette, sic bo, other wheels of fortune and such other games as may be approved by the Registrar.

Casino rules will include:

- a copy of the licence must be available for players to examine it when the games are being played.
- all advertising must state the licence number.
- house rules for blackjack and other games must be established (how the games will be played, betting limits, pay-off odds). Blackjack must be played with cards face up.
- there cannot be charge for admission where casino games are played.
- it is the responsibility of the licence holder as to the control of the game regardless of who helps to run them.
- people who are helpers cannot play nor have anyone play on their behalf. When they are not helping they may play any game other than the one they just finished helping with.
- game players must stay out of the pit area.
- people under 19 years of age are not allowed to play.
- a game bank must be maintained in a separate room that only the manager and cashiers are allowed to enter.
- the betting limits stated on the licence cannot be exceeded, cash only must be used to purchase playing tokens or chips
- there must be a bank set up where the players can buy and cash in the chips or tokens, tokens or chips must be used for all betting and winnings.
- the banker must supply each game operator enough tokens or chips to operate the game. When the operators receive or cash in the chips, they must sign a receipt.
- a record must be kept of all tokens and chips supplied to game operators, returned by game operators and cashed in by players.
- at the end of each game the operator must account for all chips or tokens at the table or game and must return them to the bank.
- once the licence is issued, it can only be changed with the written consent of the Registrar.
- the fee to run games is \$5 for each gaming table for each day the casino is licensed to run; no organization can be given a licence to run a casino for more than three days in a row.