

Charitable Gaming Review

2021

Table of Contents

Purpose and Overview.....	4
Working Group Terms of Reference.....	7
History of Charitable Gaming.....	10
Charitable Gaming Overview.....	16
2019 Survey Results.....	31
Appendices.....	36
Appendix A – Eligible Groups.....	37
Appendix B – Allowable Use of Proceeds.....	40

Welcome

Dear working group members,

Thank you for your interest in the charitable gaming review and committing your time and expertise to this process.

You will be involved in an exciting and innovative exploration of charitable gaming in Alberta and how it can be modernized to help ensure it meets the needs of charitable organizations and our communities. For the span of the next few weeks, you will work together in brainstorming sessions, workshops and other exercises. Your participation, analysis, and ideas are critical to informing recommendations and decisions in the review.

Your input will shape decisions about how charitable gaming in Alberta can be strengthened so that Albertans and their communities continue to benefit from charitable gaming proceeds.

The meetings you participate in as a member of the working group will focus on key areas that have been raised throughout the phases of the charitable gaming review public consultation.

In your welcome package, you will find information about your role in this review and background information on charitable gaming in Alberta.

On behalf of the Alberta Gaming, Liquor and Cannabis Executive Team (*or Board if Len*), thank you for your participation and your commitment to Alberta's charitable sector.

Sincerely,



Kandice Machado
Acting President & Chief Executive Officer
AGLC

Purpose and Overview

PURPOSE

The purpose of this engagement is to:

- confirm and clarify information that has been communicated to AGLC and government on issues and challenges for charitable and religious organizations (charities) regarding charitable gaming in Alberta;
- use an approach where participants develop the criteria to guide design, develop and evaluate a range of options;
- work toward recommendations to help ensure that charitable gaming meets the needs of charities and remains compliant with legislation; and
- Guide the development of policies and procedures that benefit Albertans and their communities.

OBJECTIVES

The objectives of this engagement are to:

- solicit input from a wide range of stakeholders, including charities that receive proceeds from conducting charitable gaming events, Volunteer and municipal organizations and other stakeholder groups.
- gather information to facilitate the development of policies that reflect the needs of charities and provide maximum benefit to Albertans and their communities; and
- identify opportunities for the reduction of red-tape charitable and religious organizations.

ANTICIPATED OUTCOMES

The anticipated outcomes of this engagement:

- charitable gaming policies reflect input gathered through the engagement and a wide spectrum of stakeholders from diverse demographics, backgrounds, and experiences;
- there is a transparent, robust evidence-informed approach to policy development;
- stakeholders are supportive of the engagement approach and have an opportunity to provide input; and
- stakeholders have a better understanding of the challenges inherent in the model and understand that new policies may not support the individual views of each participant and/or organization.

PRINCIPLES OF ENGAGEMENT

Inclusive: Commit to seek out involvement of those directly impacted by possible changes due to a review and consultation regarding the model.

Accessible: Commit to providing different opportunities for participants to provide input.

Open, transparent and trusting: Provide information that ensures stakeholders can participate in a meaningful way. Make efforts to ensure information is accessible to participants. All input will be considered.

Respect and Integrity: Value stakeholder input and actively listen to their perspectives.

SCOPE OF ENGAGEMENT

In Scope

The engagement will seek to understand stakeholder perspectives related to charitable gaming. The questions and discussions of the consultation will focus on key areas that have been raised throughout the different phases of the charitable gaming review. This includes, but is not limited to:

- outcomes and principles for charitable gaming;
- wait times and distribution of proceeds from charitable casino events;
- use of proceeds earned through the conduct of licensed charitable gaming events – casino, raffle, bingo, and pull ticket;
- volunteer requirements for charitable casino events; and
- eligibility of charitable organizations for gaming licensing.

Out of Scope

The following are out of scope for this engagement:

- Host First Nations Charitable Gaming Model;
- Elimination of the Charitable Gaming Model; and
- Any changes to policies that are not within the legal parameters of the Criminal Code of Canada.

CONSTRAINTS

Criminal Code of Canada

Any changes to charitable gaming policies cannot contravene the Criminal Code of Canada. The Criminal Code of Canada allows only provincial governments or charities to conduct and manage gaming events.

The Criminal Code of Canada requires that groups participating in charitable gaming are charitable or religious in nature and that the proceeds from gaming activities be directed to charitable or religious purposes. In general, the criteria used to determine eligibility includes: relief of poverty, advancement of education, advancement of religion, and other purposes beneficial to the community.

Casino Proceeds

The amount of proceeds available from casino events is limited by the number of casino facilities available for charitable events and the level of patron play. This means there is a limited amount of casino events that can be held in one year.

Working Group Terms of Reference

WELCOME

We're pleased to invite you to join us as a member of the working groups supporting Alberta Gaming, Liquor and Cannabis (AGLC) in the review of charitable gaming in Alberta. Your participation, analysis and innovative ideas are critical to informing recommendations and decisions in the review.

THE REVIEW

The goals of the review are to:

- gather creative and innovative ideas from engaged Albertans like you to inform improvements to charitable gaming in Alberta; and
- ensure charitable gaming in Alberta continues to enable charitable and religious organizations to deliver programs and services that reflect Albertans' values and, ultimately, benefit Albertans and their communities.

The review includes multiple working groups that will participate in a highly engaging process to address the goals of the review.

The working groups will represent the diverse geography and social characteristics of Alberta, including small and large charities, municipal organizations, funders, and provincial capacity-building organizations. The working groups will run in February 2021, with some more intensive and some less intensive times throughout that period.

THE CHALLENGE

At a high level, the working groups' challenge is:

How might we improve charitable gaming to meet the needs of charitable and religious organizations in Alberta?

We are open to your creativity and innovation on how to improve charitable gaming in Alberta. This includes, but is not limited to:

- outcomes and principles for charitable gaming ;
- wait times and distribution of proceeds from charitable casino events;
- use of proceeds earned through the conduct of licensed charitable gaming events – casino, raffle, bingo, and pull tickets;
- volunteer requirements for charitable casino events; and
- eligibility of charities for gaming licensing.

WORKING GROUP OVERVIEW

The working groups will provide feedback and ideas through an online/remote process in February 2021.

For the span of these few weeks, participants will work together in brainstorming sessions, sketching workshops, and other exercises. Meetings will take place with participants coming together as a large group at set times and breaking off into smaller working groups according to their own schedules. Throughout the process, the core project team consisting of facilitators and subject-matter experts will support the groups. At the end of the smaller group sessions there will be a larger working-group meeting where each group will have a chance to share proposed solutions, seek input, and provide feedback on other groups' ideas.

ROLES OF WORKING GROUP MEMBERS

- Your attendance at the first webinar in early February is mandatory to continue participating with the working group.
- You are expected to represent and consider the needs of not just your organization, but the broader community and the wide variety of charities and non-profit organizations in Alberta.
- All meetings, conversations, etc. will happen online and remotely; some you will have to attend on a certain date and time, and other activities will be at your convenience within a certain period of time and up to your discretion. Access to a computer/laptop is important for a positive and meaningful experience.

All members are expected to come with:

- a willingness to learn about the complexity of the issues;
- a willingness to listen respectfully to the concerns raised by other group members;
- a willingness to think outside the box, try new things and name and analyze underlying assumptions informing opinions and decisions;
- the ability to represent the general view of their own organization while being able to consider objectively the impacts to all charities of any changes to charitable gaming policy; and
- the ability to critically assess complex issues that will help to develop sound public policy.

TIME COMMITMENT

Participants should anticipate spending between 10 and 20 hours participating in the working group. Estimated time commitments depend on how much time you want to spend participating and creating content. Some activities are as follows:

- working group participants will be engaged during February 2021;
- the working groups will meet with the project team by video conference a minimum of

two to three times within this timeframe and possibly more depending on how your group chooses to organize and complete the design challenge;

- the duration of large working group meetings will be two to three hours;
- some preparation may be required prior to meetings (e.g., members may be asked to review and consider documents in advance); and
- each working group will be asked to prepare and share a presentation of their design and learnings; each member may be invited to prepare presentations and ideas, depending on their location, expertise and availability.

Throughout the consultation period, participants may be called upon to provide additional input by phone and/or email. We may also follow up with individuals and groups after the sessions to seek further ideas and information.

WORKING GROUP SELECTION

There are a maximum of 100 spots available for the working group activity. Organizations were selected to ensure there is the broadest possible cross-section of stakeholders.

History of Charitable Gaming

This section provides information on the history of charitable gaming in Alberta. It is important to know the history to understand how charitable gaming in Alberta has evolved over time.

Legal gaming was first introduced in Canada, and across the provinces, in the early 1900s. Since then, it has evolved substantially. Some of the major developments and highlights are detailed below.

The 1960s

In 1967, Alberta's first temporary, charitable casino opened at Edmonton's annual fair. Casino table games were introduced at this time.

In 1969, amendments were made to the Criminal Code that authorized lotteries and sweepstakes, giving provinces the authority to license and operate lotteries and casinos.

The 1970s

The province began to issue licences to eligible charitable groups to conduct and manage gaming activities based on the provisions of the Criminal Code. Those activities included bingos, casino table games, pull-ticket sales and raffles. As required by the Criminal Code, the proceeds from these activities were to be used only for charitable or religious purposes. At first, local police services were responsible for licensing charitable groups. That role was transferred to the provincial government in 1973.

In 1975, the province's first non-profit casino table venue was established by the Kinsmen Club in Edmonton. During this year, 158 charitable casino licences were issued in the province and the total money spent on chips was \$4.4 million.

In 1976, the key elements of the charitable gaming model were established. At this time, the licensing system was based on casinos being an alternative fundraising activity by eligible community organizations, which were required to be accountable for the use of proceeds. The conduct and management of casino gaming became the responsibility of the charity.

The federal government withdrew entirely from regulating gaming activities, except for pari-mutuel betting on horse races, which it continues to regulate.

The 1980s

In 1980, the first permanent, privately-operated charitable casino (with table games) was established in Calgary (Cash Casino). The second permanent, privately-operated casino (Casino ABS) opened in Edmonton in 1982.

Beginning in 1981, the licensing authority held random draws once every two months to determine the dates when an eligible charity could hold a casino event. The names of the

charities were placed in the random draw on a first-come, first-served basis to hold a casino event in the next available two-month period.

The volunteer structure in casinos at this time required that a licensed charity contract a games management company to provide a facility, equipment and key staff (including dealers) for a pre-agreed fixed fee. The organization provided volunteers to fill certain administrative positions (including chip running and money counting).

Commercial-style bingo halls, which were introduced in 1979, gained popularity in the early 1980s. Soon, bingo began to generate more proceeds than casino table games or pull-tickets.

In 1987, charities were given the option to pool revenues for charities conducting casinos, as well as bingo associations.

The Alberta government established the Lottery Fund in 1989 (under Bill 10). Alberta's net revenue from lotteries was deposited into the Lottery Fund.

The 1990s

The 1990s experienced a notable growth in the types of gaming and introduced electronic gaming. Ten new casinos opened in Alberta between 1990 and 2000.

By 1995, the public began to question where lottery dollars were going. The Lotteries Review Committee (LRC) was formed under then-Premier Ralph Klein and held hearings (consultations with Albertans) to address the allocation of lottery dollars. As a result of the consultations, the "New Directions for Lotteries and Gaming: Report and Recommendations of the Lotteries Review Committee" was released. Government established new policies for gaming in Alberta.

In July 1995, the Alberta Gaming and Liquor Commission (AGLC) was created and amalgamated all liquor and gaming regulatory, enforcement and marketing agencies; including the Alberta Gaming Commission, the Gaming Control Branch, Alberta Lotteries and Gaming, and the Alberta Liquor Control Board. In July 1996, the AGLC would be formally established in the *Gaming and Liquor Act*.

In 1995-96, casino revenues began to be pooled over a three-month period to allow charities to share proceeds. Although the number of casinos in the province had increased, between 1985 and 1995, charities' share of proceeds decreased due to increasing facility fees charged by operators.

In 1996, policy changes were introduced to address some of the issues. As a result, the operating expense fee, which had to be paid before a charity could earn any casino proceeds, was removed. In its place, casino operators were limited to a fixed fee that could not exceed a maximum percentage of the net proceeds (after prizes).

In 1996, pooling of casino proceeds was made mandatory at all casino facilities in the province to even out the disparity in net revenues between different casino events at the same casino facility. This averaging of revenues guaranteed charities would earn proceeds

from a casino event rather than experience a loss, which had occurred previously. In 1996, slot machines were introduced into Alberta's charitable casinos.

The *Gaming and Liquor Act*, introduced in 1996, was the first provincial statute to specifically deal with gaming activities (in addition to liquor activities).

In 1998, the Lotteries and Gaming Summit held an open and public forum in Medicine Hat on all aspects of gaming. The government accepted all eight summit recommendations. The recommendations included:

- charitable model for operating casinos and bingo be maintained
- gaming and lottery funds not be directed to Alberta's general revenue fund
- all gaming and lottery profits be directed to supporting charitable or non-profit community initiatives; and
- the Alberta government established Community Lottery Boards to oversee the distribution of an additional \$50 million in lottery funds. As of April 1, 1998, revenue from slot machines was pooled on a city-wide basis, affecting cities with more than one casino facility (i.e., Edmonton with four casino facilities; Calgary with five; Red Deer with two; and Lethbridge with two). Previously the revenue was pooled by facility.

AGLC launched a Bingo Industry Review to examine the bingo industry and the charities that participated in bingo activities. This was the first comprehensive review of the bingo industry in more than 20 years. The committee's report with findings and recommendations was submitted to AGLC in September 1999.

The 2000s

In the 2000s, three new casinos opened in Alberta.

The government announced the implementation of the majority of recommendations from the Bingo Industry Review Team.

In 2001, AGLC introduced a new First Nations Gaming Policy, based on Alberta's unique charitable gaming model. First Nation casinos would be located on reserve land and would be regulated by AGLC, operating under the same terms and conditions as off-reserve casinos.

In the same year, the government released the Gaming Licensing Policy Review (LPR), which included 61 recommendations that were developed during a comprehensive, 20-month review of gaming policies.

During the review, an extensive process was undertaken that included formal consultation with stakeholders, as well as market research intended to gauge Albertans' attitudes, perceptions and behaviors. An extensive literature search was also conducted to identify significant research studies related to gaming. Once all of the data and various submissions had been received, they were analyzed to develop appropriate recommendations.

The LPR recommended that AGLC formally adopt a set of Guiding Principles for Gaming in Alberta to set the context for gaming growth:

- The integrity of gaming will be ensured.
- Gaming policies will reflect a commitment to social responsibility.
- The financial return to eligible groups from charitable gaming is to be maximized for the benefit of charitable and religious groups, the programs or activities they deliver and the communities in which those programs are undertaken.
- Gaming policies will be supported by sound research and consultation with the public and stakeholders.
- The collection and use of gaming revenue will be open and accountable.
- Gaming activities will meet standards of quality to protect the integrity of gaming activities, provide gaming entertainment value to consumers and help to keep gaming dollars in Alberta.

Other recommendations included:

- giving eligible charities the option of receiving a one or two-day licence;
- enhancing the internal operating standards and controls for casinos;
- requiring casino Advisors be hired by charities and not hired by (or be affiliated with) casino operators; and
- requiring that charitable proceeds from casino table games be pooled by city and divided accordingly.

In 2002, the Community Lottery Board program was discontinued. The Community Initiatives Program was introduced and committed \$30 million per year for the following three years.

The MLA Review Committee on Charitable Gaming Licensing Eligibility and Use of Proceeds was announced in January 2002. The review looked at AGLC policies regarding charities' eligibility for gaming licences and the use of proceeds from gaming by those organizations to ensure that the policies were current, specific, clear, transparent, and accessible to all stakeholders and that the policies complied with the requirements of the Criminal Code of Canada, the *Gaming and Liquor Act* and the Gaming and Liquor Regulation.

Completed in 2003, the review involved extensive stakeholder consultation. This resulted in AGLC releasing its Charitable Gaming Policies Handbook. One of the key policies was that a group that met basic eligibility was considered eligible for a gaming licence and assigned the next available event at its nearest facility.

In 2003, DIGI Bingo (a handheld, electronic bingo device) and KENO (a frequently occurring lottery game) were introduced into bingo halls across the province to help revitalize the bingo industry.

The Alberta Lottery Fund website was launched, and funding increased by 25 per cent to the foundations and granting programs supported through the Alberta Lottery Fund.

AGLC introduced the Gaming Information for Charitable Groups (GAIN) program to assist charities to better understand charitable gaming responsibilities and requirements tied to

gaming licensing. The goal was to ensure charities were accountable for how they spent charitable gaming funds.

In 2005, the first privately owned and operated bingo facility to operate as a service provider under Alberta's charitable gaming model was approved for Grande Prairie.

From 2006 to 2008, five casino's opened under the province's First Nations Gaming Policy.

In September 2009, the MLA Advisory Committee on the Distribution of Proceeds from Licensed Casino Events was appointed by the Solicitor General and Minister of Public Security to act in an advisory capacity to the Minister and make recommendations to the Minister on the following matters:

- the criteria to be used to determine equitable access by eligible organizations to licensed casino events, including consideration of casino region boundaries and suggestions for improved access;
- the criteria to be used to determine equitable distribution of casino proceeds (i.e. from slot machines and table games) to eligible organizations from licensed casino events throughout Alberta and suggestions for improved distribution; and
- the number of volunteers required to conduct casino events.

In 2010, the committee made recommendations to the Minister. Key recommendations included:

- creating three distinct pools for gaming proceeds: Edmonton, Calgary and a third pool for the rest of Alberta charities;
- regional boundaries be redrawn; and
- volunteer requirements remain unchanged.

No recommendations were implemented and the report was put on hold pending further review.

The 2010s

In 2015, the AGLC Board extended the licensing moratorium on considering new casino and racing entertainment centres (RECs) indefinitely.

In December 2018, the total ticket value (TTV) for small raffles was increased from \$10,000 to \$20,000, creating more opportunity for charities to fundraise. Bingo event licence fees were reduced from \$30 to \$20 per event and pull ticket licence fees were reduced from \$10 to \$5 per unit.

In January 2019, the Electronic Raffle Handbook (ERH) was implemented and charities became eligible to conduct raffles using electronic components.

In September 2019, as part of AGLC's commitment to red tape reduction, policy was amended to expand payment options for charities to include credit card, debit card, bank draft, preauthorized debit, or electronic fund transfer in addition to cheques when making payments for approved uses of proceeds.

The 2020s

In June 2020, AGLC created new opportunities for licensed charities that conduct electronic raffles with a total ticket value (TTV) of \$100,000 or more, by accommodating:

- electronic draws using a random number generator, which were previously limited to raffles with a TTV of \$1 million or more; and
- online ticket sales as a new sales option for bearer ticket raffles. Enabling online raffles sales to adults outside of the entertainment venue (within Alberta) provided opportunities for people who are not at the event to purchase tickets.

Charitable Gaming Overview

AGLC is responsible for maintaining the accountability of gaming activities in Alberta, including charitable gaming events.

The Criminal Code of Canada requires that groups participating in charitable gaming are charitable or religious in nature and that the proceeds from gaming activities be directed to charitable or religious purposes. In general, the criteria used to determine eligibility includes: relief of poverty, advancement of education, advancement of religion and other purposes beneficial to the community.

AGLC issues licences to eligible organizations, ensures that gaming activities are carried out in accordance with the policies that govern them, and oversees the use of gaming proceeds by charities groups. AGLC is dedicated to ensuring integrity in charitable gaming so the charitable gaming model can continue to deliver benefits to communities across Alberta each year.

Eligible organizations may apply for charitable gaming licences to conduct and manage events.

THE CRIMINAL CODE

All gambling in Canada is illegal per the Criminal Code of Canada, subject to limited provisions set out in the Code.

The fundamental legislation related to gambling, the Criminal Code of Canada, was enacted in 1892. It codified the criminal common law and miscellaneous criminal law statutes. The legislation declared most forms of gambling to be illegal except for pari-mutuel racetrack betting (in which winnings are divided proportionally to the amounts individually wagered) and games of chance. The frequency of those activities was to be determined by each province. Games of chance during this period tended to be confined to major fairs and exhibitions.

The code, as it applies to gaming today, is described below:

Section 207 of the Criminal Code identifies the terms of the permitted lotteries:

- 207(1) (a): for the government of a province, either alone or in conjunction with the government of another province, to conduct and manage a lottery scheme in that province, or in that and the other province, in accordance with any law enacted by the legislation of that province;
- 207(1) (b): for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council

thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;

The phrase “conduct and manage” is designed to ensure that the fundamental decisions regarding the conduct of gaming activities for the “operating mind” of the scheme lie with the provincial government or a charitable or religious organization.

For simplicity, the organization with the authority to make fundamental decisions is used to differentiate the two main forms of gaming:





- Section 207(1)(a) where the provincial government has authority is termed “Provincial Gaming” or “Provincial Lotteries.”
- Section 207(1)(b) where the charitable or religious organization has the authority is termed “Charitable Gaming.”

WHAT IS CHARITABLE?

Based on Section 207 (1) of the Criminal Code of Canada only eligible charitable or religious groups may conduct charitable gaming activities; and groups that conduct charitable gaming activities must use the proceeds only for charitable or religious purposes.¹

To determine what constitutes a charitable or religious object or purpose, these four criteria are used²:

Four Criteria to Determine Charitable Purpose

 Relief of Poverty	 Advancement of Education	 Advancement of Religion	 Community Benefit
Some examples include: <ul style="list-style-type: none">• Women’s shelters• Food banks• Victim services• Homeless aid• Addiction/recovery programs	Some examples include: <ul style="list-style-type: none">• School parent advisory groups• Support to libraries• Museum societies• Visual, literary, media and performing arts groups	Some examples include: <ul style="list-style-type: none">• Places of worship• Parishes and congregations• Other religious programs	Some examples include: <ul style="list-style-type: none">• Senior citizens groups• Supporting eligible amateur sports• Community service groups• Health and medical aid/support

¹ <https://aglc.ca/gaming/charitablegaming/albertas-charitable-gaming-model>

² <https://aglc.ca/gaming/charitablegaming/eligibility-charitable-gaming>

VOLUNTEERS

Alberta is the only jurisdiction in Canada where charities conduct and manage casino events. The volunteer structure that exists today in Alberta casinos was established in the early 1980s, when casinos were a temporary, two-day event. At that time, a licensed charity contracted a games management company to provide a facility, equipment and key staff (including dealers) for a pre-agreed fixed fee. The charity provided volunteers to fill certain positions (including chip running and money counting). Despite a number of changes to the casino environment, including the increased hours of operation and modernization of the facilities (e.g., extensive camera coverage), the volunteer model has not been adjusted to reflect today's requirements.

In the current model, licensed casino operators provide the facilities and related services and the licensed charity provides volunteers to conduct and manage the event.

The current policy requires a minimum of 25 volunteers for a 16-50 table game casino event and a minimum of 15 volunteers for a 15 table game or less casino event. Charities are required to provide a general manager, banker, cashier, chip runner, count room supervisor and count room staff.

ELIGIBILITY

The Criminal Code of Canada requires that groups participating in charitable gaming are charitable or religious in nature and that the proceeds be directed to charitable or religious purposes.

The Alberta *Gaming, Liquor and Cannabis Act*, Gaming, Liquor and Cannabis Regulation and charitable gaming policies establish standards for conducting gaming activities. This includes which groups may be eligible for gaming licences and how they may use gaming proceeds.

There are three key components AGLC considers when assessing a group's eligibility for gaming licensing:

- **Structure**
Is it broad-based and democratic?
- **Program Delivery**
How long have programs or services been offered?
How do the group's programs or services benefit the community?
- **Use of Proceeds**
How will the money be spent?

Only eligible non-profit groups are eligible for charitable gaming licences.

In addition, eligible groups must:

- have a broad-based volunteer membership;
- have an executive democratically chosen from its membership;

- have unpaid members, directors or officers;
- have programs which benefit a large segment of the community, not members' self-interest;
- have members who are responsible for establishing, maintaining control of, and delivering the group's programs; and
- be incorporated (except for groups that only conduct raffles with a total ticket value of \$20,000 and less).

Program Delivery

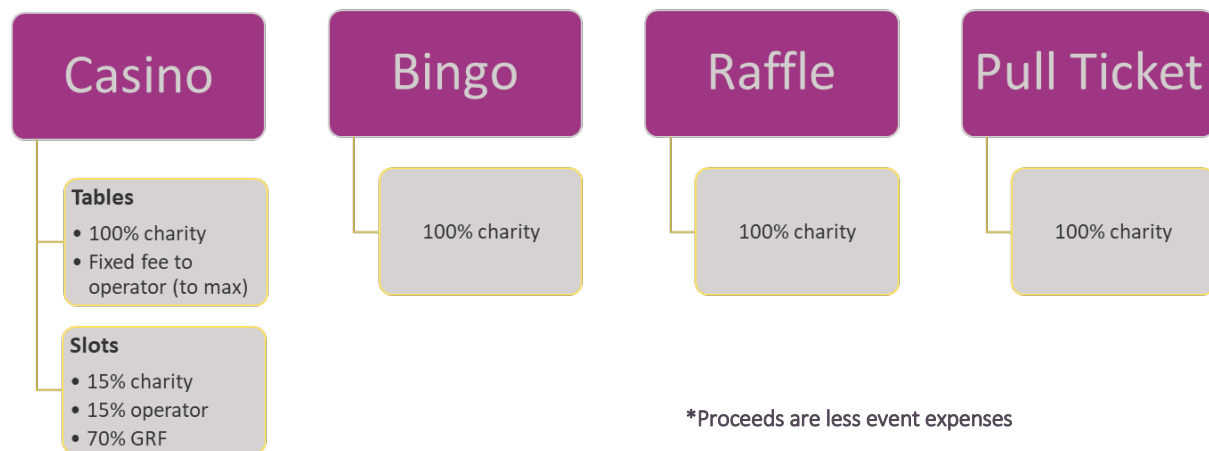
The record of program delivery requirement ensures eligible groups have existing support in the community and do not rely solely on gaming proceeds for program delivery. Gaming proceeds are intended to supplement the charitable activities of eligible groups rather than serve as a primary source of funding.

For casino event applicants, an active record of program delivery for the previous 24 months is required. For bingo applicants and applicants for a raffle with a total ticket value of more than \$100,000, an active record of program delivery for the previous 12 months is required. See Appendix A for a full list of eligibility categories.

CHARITABLE GAMING PROCEEDS

Proceeds (revenues less expenses) from licensed charitable gaming events go directly to the charities that conduct the events. Proceeds are used to support community projects and initiatives for non-profit and volunteer organizations throughout Alberta.

Charitable and religious groups that conduct casino events keep the proceeds from table game play, less a service fee for the facility operator. In a similar fashion, charities keep all the proceeds they earn from raffle, bingo, and pull ticket events, after operating expenses. A portion of the revenues from casino gaming terminals, electronic bingo and KENO also go to charities.



This chart details the amount of proceeds that different categories of organizations received through charitable gaming in 2019-2020.

Charitable Gaming Proceeds by Category

Categories of Charitable Groups (only categories greater than \$1,000,000 shown)	Proceeds Earned (M)	Percentage of Proceeds
Sports Groups	\$53	20.2%
Education Groups	\$26	9.9%
Fundraising Groups	\$24	9.1%
Veterans, Service & Fraternal Groups	\$20	7.6%
Arts Groups	\$19	7.2%
Aid of the Distressed	\$18	6.8%
Community Leagues/Associations	\$16	6.1%
Ethno-Cultural Groups	\$11	4.2%
Support Medical Treatment	\$10	3.8%
Member groups of bingo associations/societies	\$10	3.8%
Medical/Health Aid & Relief Groups	\$10	3.8%
Senior Citizens Groups	\$7	2.7%
Children's Groups	\$7	2.7%
Agricultural Fair or Exhibition	\$5	1.9%
Nature Conservation	\$5	1.9%
Historical Resource Groups	\$5	1.9%
Youth Groups	\$4	1.5%
Religious Groups	\$4	1.5%
Basic Eligibility	\$3	1.1%
Associations of Employees/Occupations/Professions	\$2	0.8%
Community Events	\$2	0.8%
Miscellaneous Groups with Less Than \$1,000,000 in proceeds	\$2	0.8%
Total	\$263	100.0%

Numbers have been rounded to the nearest \$1,000,000.

USE OF PROCEEDS

Proceeds raised from licensed charitable gaming activities must be used for approved charitable or religious purposes. Part of charitable event revenue may be used to pay for prizes and other expenses related to operating the event. Remaining revenue is gaming proceeds and must be used for approved charitable or religious purposes.

To change the use of proceeds, groups are required to submit a written request to AGLC for prior approval. Once a group has held its event, gaming proceeds must be deposited into a separate gaming account. After receiving approval from AGLC, groups may consolidate all gaming proceeds into a single account if the group conducts more than one type of event (e.g., bingo and casino).

A group has two years to use gaming proceeds from the time it receives the proceeds. If a group requires an extension after the two-year period, a request for retention must be submitted to AGLC along with a supporting business plan.

The business plan must include:

- a written explanation of why the proceeds have accumulated beyond a two-year period;
- any other sources of revenue associated with the planned project or event;
- a list of expenditures associated with the planned project or event; and
- timelines for the anticipated disbursement of the accumulated proceeds.

For additional information on specific allowable uses of proceeds, please check the [Charitable Gaming Policies Handbook](#).

See Appendix B for a full list of allowable use of proceeds.

Charitable gaming proceeds help support the thousands of programs and services that charities provide to their communities. These proceeds are earned by groups that conduct gaming activities. The following table summarizes how charities used proceeds from gaming activities in 2018-2019. Because charities have two years to use proceeds they earned from gaming events, the proceeds reported in the table below will not equal the proceeds received by charities in those years.

Use of Proceeds by Category

Use of Proceeds	\$ (thousands)	Percentage of Proceeds
Facility	\$80,745	34.0%
Equipment/Uniforms/Vehicles	\$36,241	15.3%
Wages, Salaries, Fees for Service and Honorariums	\$34,431	14.5%
Raffle < \$20,000 Expenditures	\$23,535	9.9%
Administrative Costs	\$17,866	7.5%
Travel	\$12,814	5.4%
Program Support/Development	\$12,598	5.3%
Promotional Activities	\$4,369	1.8%
Bursaries and Scholarships	\$3,160	1.3%
Research	\$2,680	1.1%
Donations outside of Alberta	\$1,924	0.8%
Donations within Alberta	\$1,840	0.8%
Sports	\$1,632	0.7%
Senior Citizen Activities	\$1,517	0.6%
Youth Development	\$1,132	0.5%
Volunteer Expenses	\$418	0.2%
Endowment Funds	\$309	0.1%
Education	\$93	0.0%
Debt Retirement	\$38	0.0%
Total	\$237,342	100.0%

In 2019-2020, eligible charities obtained 19,791 gaming licences; charitable gaming activities related to licensed events generated more than \$263 million in proceeds.

The chart below is a summary of the number of gaming licences in effect and the proceeds to charities from charitable gaming activities by gaming stream.

Gaming Licences and Proceeds by Gaming Stream (2019-2020)

Gaming Stream	Number of Licences	Total Proceeds (M)	Per cent of Proceeds
Casino	3,464	\$168	64%
Raffles >\$20,000	329	\$47	18%
Raffles < \$20,000	14,783	\$22	8%
Bingo	943	\$16	6%
Pull ticket	277	\$10	4%
Total	19,796	\$263	100%

Charitable Proceeds by Major Centre (2019-2020)

Region	Number of Licences	Total Proceeds to Charities (M)	Per cent of Proceeds
Calgary	3,477	\$93,603	35.6%
Edmonton	3,791	\$87,903	33.4%
Fort McMurray	530	\$7,473	2.8%
Grande Prairie	557	\$9,393	3.6%
Lethbridge	517	\$7,133	2.7%
Medicine Hat	583	\$5,184	2.0%
Red Deer	816	\$10,688	4.1%
St. Albert/Camrose	779	\$7,852	3.0%
All other locations	8,741	\$33,593	12.8%
Total	19,791	\$262,822	100.0%

CASINO

In Alberta, casino gaming is conducted in traditional and Host First Nation casinos and includes table games and casino gaming terminals. AGLC licenses casino facilities in Alberta. There are currently 24 permanent casino facilities consisting of 19 traditional and five Host First Nation casinos.

Charities are assigned a casino within its designated region, which is usually the region in which the organization is located. Only licensed charities in Edmonton and Calgary and charities that operate provincially may hold casinos in those cities. Charities from areas outside Edmonton and Calgary conduct events at a designated casino facility.

The only exception to this is Century Casino Calgary. Rural charitable organizations outside Calgary are assigned casino events at Century Casino Calgary because no casino exists close to these communities³.

In traditional casinos, the casino operator provides the facility, gaming expertise and gaming materials (cards, tables, chips, etc.) for the event. Charities require a licence from AGLC to conduct the casino event. Generally, a casino event runs for two days.

Each traditional casino facility hosts approximately 180 charities (approximately 3,400 total charitable casino events yearly in Alberta).

Table Games

The charity provides volunteers for key financial positions during the event and earns proceeds from table games. The volunteer positions are general manager, banker, cashier, count room supervisor, chip runner and count room staff (sorter(s), counter, recorder, and amalgamator). The casino facility provides a casino games manager who is directly responsible to the charity general manager. The casino games manager supervises the games area in the casino and ensures that activities comply with AGLC [Casino Terms and Conditions & Operating Guidelines](#).

Net proceeds (sales less prizes and event expenses) from table games are pooled and distributed quarterly by region to the participating charities.

Licensed charities earn charitable proceeds from table games. From the revenue, they pay casino facility operators and casino advisors a fixed fee for service, ranging from 50 per cent of revenue (in major casinos) to 75 per cent (in minor casinos).

Casino Gaming Terminals

The Criminal Code of Canada requires a provincial authority to manage electronic gaming devices. In Alberta, AGLC manages all electronic gaming; volunteers have no direct role in the operation of casino gaming terminals. However, charities receive a 15 per cent commission on net sales from casino gaming terminals during their casino events. The facility operator also earns a 15 per cent commission, and the remaining 70 per cent is transferred to the General Revenue Fund after AGLC operating costs are deducted.

³ <https://aglc.ca/gaming/charitable-gaming/distribution-revenue>

After prizes are paid out this is the distribution of revenue from slot machines:



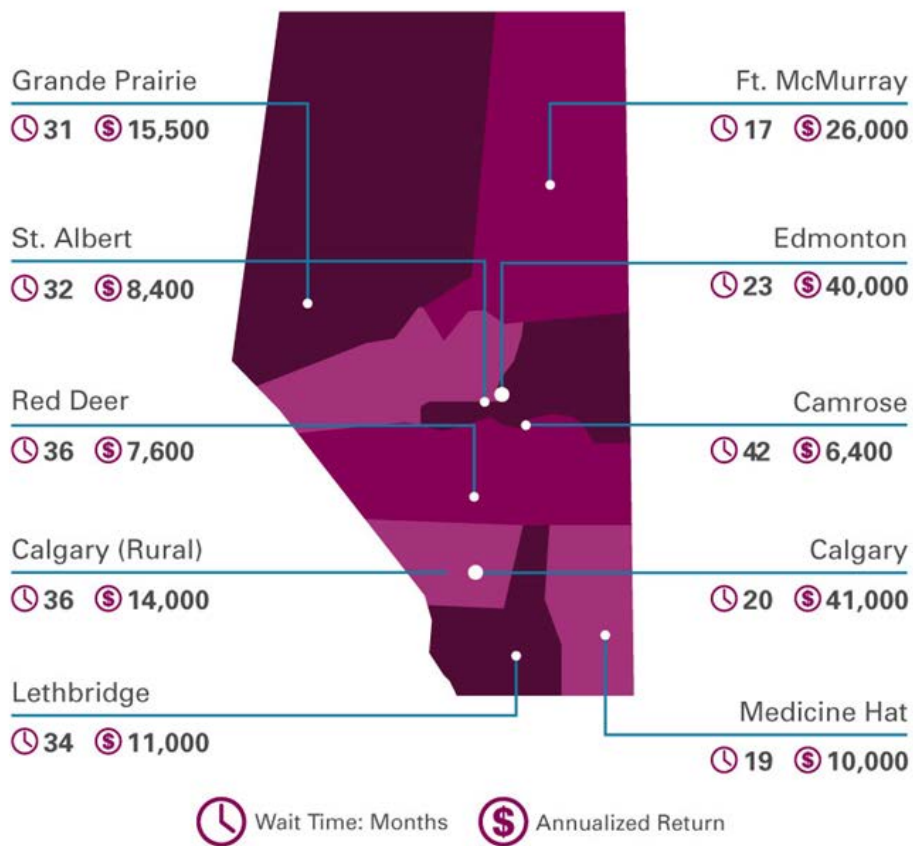
Charities receive a five per cent commission on gross sales from KENO in casinos (the facility operator also earns a five per cent commission on gross sales and a two per cent commission on redemptions). The remainder is transferred to the General Revenue Fund after AGLC operating costs and prize liabilities are deducted.

All proceeds from charitable casino events, including casino gaming terminal net proceeds, are pooled quarterly by region and divided among the participating charities.⁴

⁴ https://aglc.ca/sites/aglc.ca/files/2020-09/Casino_REC_Proceeds-20200821.PDF

The map below shows casino boundaries within the province, and wait times in each of those regions for a casino and the annualized return to the charity from a casino event. This is current to September 1, 2020.⁵

Casino Revenue and Wait Times by Region



Wait times for a charities vary based on location. To conduct and manage a casino event, organizations can expect to wait between 17 and 42 months. The annualized revenue is calculated based on the amount of money a charity can earn by conducting and managing a casino event divided by the wait time.

⁵ <https://aglc.ca/gaming/charitable-gaming/distribution-revenue>

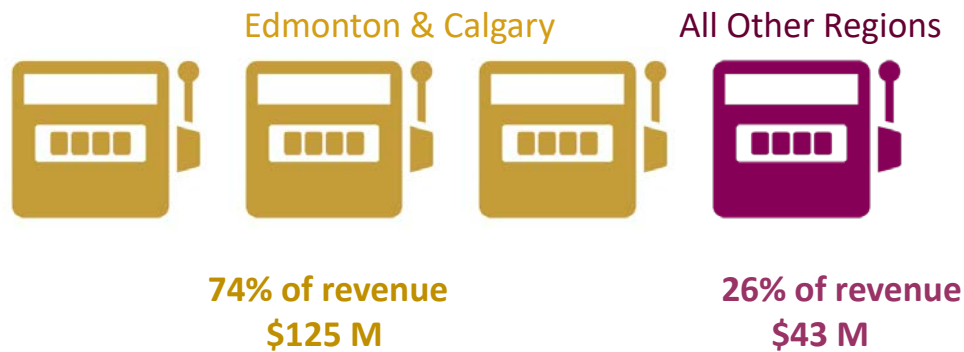
For the fiscal year 2019-2020, AGLC issued 3,459 charitable casino licences.

Licences and Proceeds by Region (2019-2020)

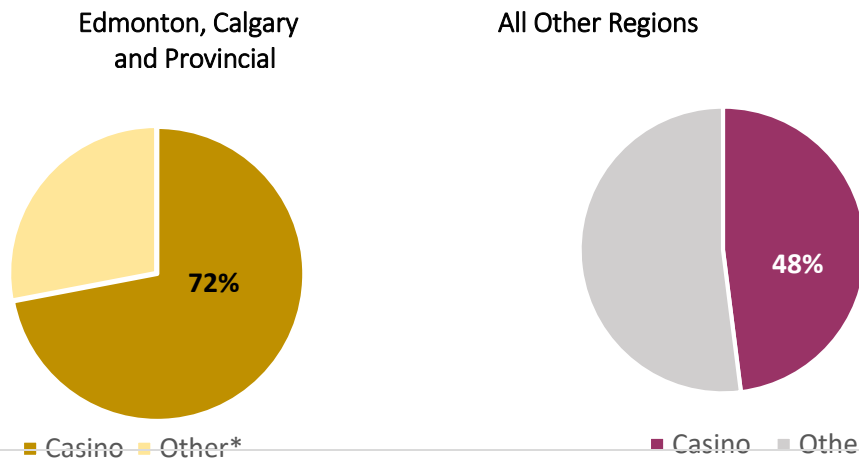
Region	Number of Licences	Proceeds to Charity (M)
Calgary	910	\$59
Edmonton	915	\$66
Rural south	544	\$16
Rural central	541	\$11
Rural north	549	\$16
Total	3,459	\$168

- Rural south includes Century Casino Calgary, Lethbridge and Medicine Hat.
- Rural central includes Red Deer and Camrose.
- Rural north includes St. Albert, Grande Prairie and Fort McMurray.

In 2019-2020, charities earned \$168 million through the conduct of casino events. Of that \$168 million, \$125 million went to charities in Edmonton and Calgary and provincial organizations and \$43 million went to charities in other regions.



In Edmonton and Calgary, 72 per cent of all gaming proceeds were derived from casino events, whereas in the other regions, only 48 per cent of all gaming proceeds were derived from casino events.



BINGO

Bingo is a game for which a prize is awarded if the player achieves the specified card pattern and winning criteria for the game in play.

Licensed bingo facilities, or association bingo, refers to a group of licensed charities that conducts bingo in a licensed bingo facility and operate four or more bingo events a week.

Community bingo refers to a licensed charity that conducts bingos from its own facility, no more than three days per week.

Bingo Licences and Proceeds by Region (2019-2020)

Region	Number of Licences	Proceeds to Charity (thousands)
Licensed bingo facilities		
Calgary	116	\$4,230
Edmonton	244	\$4,743
All other locations	392	\$3,924
Total	752	\$12,897
Community bingo		
Calgary	7	\$181
Edmonton	9	\$1,676
All other locations	175	\$1,460
Total	191	\$3,317
Total all	943	\$16,214

PULL TICKETS

Pull tickets are also called Nevada or break-open tickets. They have sealed windows or pull-tabs that open to reveal symbols, letters or numbers that correspond to a specific prize. Pull ticket units may also have a “seal card” feature (“seal card units”) or a “bingo event ticket” feature (“bingo event tickets”) which is played in conjunction with a bingo game.

Generally, groups licensed to sell pull tickets must sell them from the premises where they provide services to the community in order to ensure that the charity carefully controls sales and protects ticket security. AGLC also enables charities to sell pull tickets from their program kiosks. Charities conducting events at licensed bingo halls can also sell pull tickets during their licensed bingo events. In this case, the proceeds are pooled monthly and allocated among the charities conducting bingo events during the period. The charity or bingo association must arrange to buy pull tickets from a supplier registered with AGLC.

Tickets can be sold only by the charity and its volunteers.

Pull Ticket Licences and Proceeds by Region (2019-2020)

Region	Number of Licences	Proceeds to Charity (thousands)
Licensed bingo facilities		
Calgary	4	\$1,272
Edmonton	6	\$3,489
All other locations	12	\$3,203
Total	22	\$7,964
Other locations		
Calgary	22	\$464
Edmonton	21	\$119
All other locations	212	\$1,708
Total	255	\$2,290
Total all	277	\$10,254

RAFFLES

A raffle is a lottery where prizes are awarded based on a random draw of tickets purchased by players. Prizes for raffles must be at least 20 per cent and expenses no more than 30 per cent of the total ticket value. Only approved expenses required to conduct the raffle may be deducted.

There are two types of raffle licences: raffles with a total ticket value of \$20,000 or less, and raffles with a total ticket value of more than \$20,000. Non-profit, charitable or religious groups can apply for a licence for raffles of \$20,000 and less. Only licensed charitable or religious groups can conduct raffles more than \$20,000. Examples of raffles are: Percentage draws (50/50) draws, home lotteries, car and cash raffles, and sports raffles such as hockey pools.

AGLC determines eligibility for both types of raffle licences AGLC issues licences for raffles with the larger ticket value, while eligible charities may obtain licences from most Alberta registry agents or online with an AGLC web account for the smaller raffles.

Charities must be registered with AGLC for both types of raffle.

Raffle licences and proceeds by region (2019-2020)

Region	Number of Licences	Proceeds to Charity (thousands)
Raffles more than \$10,000/\$20,000		
Calgary	51	\$15,592
Edmonton	50	\$9,466
All other locations	228	\$22,184
Total	329	\$47,242
Raffles less than \$10,000/\$20,000		
Calgary	2,184	\$4,351
Edmonton	2,546	\$2,745
All other locations	10,053	\$13,811
Total	14,783	\$20,907
Total all	15,112	\$68,149

Proceeds for 2019-2020 include 2019-2020 actual results for raffles classified as "Raffle \$10,000 or less" or "Raffle \$20,000 and less" and accrued results based on 2018-2019 for raffles of any other class.

2019 Survey Results

WHAT WE HEARD ⁶

In early 2019, AGLC enlisted the Grant Thornton business advisory firm to administer a survey for the Charitable Gaming Model Review (Review) on its behalf. The survey gathered input from licensed charities about how the charitable gaming model (model) could be updated and strengthened to ensure Albertans and their communities continue to benefit from the proceeds generated through the conduct of charitable gaming events (casino, raffle, bingo and pull tickets).

The survey was sent to more than 6,700 charities eligible to hold a licence for a charitable gaming event in Alberta.

SUMMARY

Regional Disparity

A significant number of organizations reported that there are regional disparities in these three areas:

- wait times for casino events;
- the amount of the proceeds earned from those events; and
- the benefits of being in one regional pool versus another.

Some groups, typically outside larger cities, receive much lower proceeds per casino event and wait longer between casino events than groups in larger cities.

The sense of disparity felt by some groups extends beyond the direct financial proceeds. Various forms of greater “cost” were identified: rural groups have greater cost of transportation to and from casino events in rural areas which also include accommodation and meals, charitable expenses outside of the casino event and the requirements to spend all funds in two years, when there might be three years between casino events.

Use of Proceeds

After regional disparity, concerns about use of proceeds policies generated the greatest number of responses. Many organizations identified that they would like to be able to use more of their proceeds to pay for administration and operating costs.

Volunteers

⁶ https://aglc.ca/sites/aglc.ca/files/aglc_files/Charitable%20Gaming%20Review%20-%20Survey%20Results%20FINAL.pdf

Twenty-five per cent of respondents identified the issue of finding volunteers for charitable gaming events as an area for improvement and 54 per cent of all respondents indicated they “often” or “sometimes” had difficulty finding enough volunteers.

Cultural or Language Barriers

Most respondents did not report an issue with cultural or language barriers. Ninety-seven per cent reported that they experienced no cultural barriers to obtaining a desired licence or approvals for how they used the proceeds earned from charitable gaming activities.

Eligibility Reviews

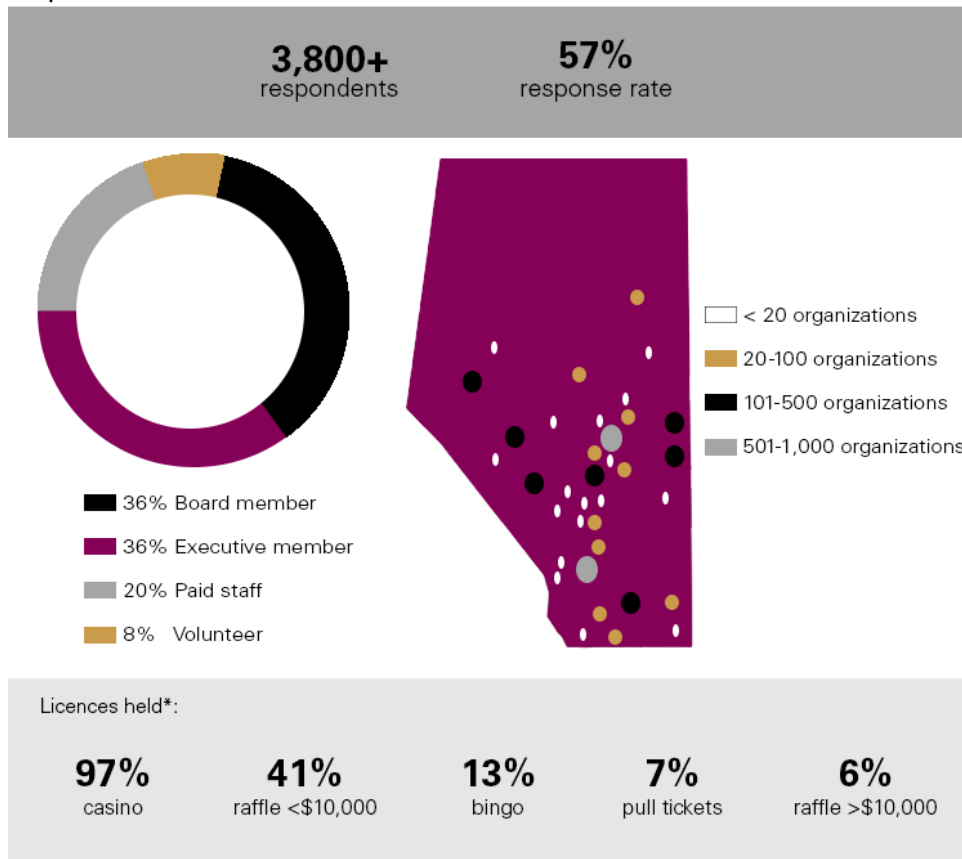
Almost 70 per cent of respondents indicated that eligibility should be reviewed every two to five years. This is supported by comments that AGLC maintain or increase its standards for eligibility.

SURVEY RESULTS

Response Rate

Fifty-seven per cent of all organizations that received the survey completed it. This result demonstrates the importance that charities in Alberta place on providing feedback and improving the model.

Who Responded?



*Respondents can hold more than one licence.

Regional Responses (Number of Organizations)

Edmonton	784	St. Albert / Sturgeon	77	Camrose	22	Drayton Valley	12
Calgary	768	Cypress County	65	Leduc	22	Ponoka	12
Grande Prairie	247	Lesser Slave Lake	48	Cochrane	20	Beaumont	10
Vermillion River	187	Sherwood Park	48	Olds	20	Chestermere	10
Clear Water County	152	Parkland County	42	Athabasca	19	Peace River	10
Wetaskiwin County	148	Fort McMurray	41	Canmore	18	Sylvan Lake	9
Bonnyville	144	Airdrie	31	Strathmore	17	Wainwright	9
Vulcan County	129	Brooks	30	Westlock	17	Whitecourt	9
Taber	129	High River	26	Innisfail	16	Cold Lake	7
Yellowhead County	120	Okotoks	25	Vegreville	14	Banff	5
Lethbridge	88	Barrhead	24	Hinton	13	Blackfalds	2
Red Deer	78	Lacombe	23				

RESPONSES

Eligibility, Access and Barriers

97%

of all respondents reported that:

- They had no difficulty getting a licence for charitable gaming activities.
- There are no cultural barriers that prevent organizations from accessing licensed charitable gaming events.
- There are no cultural barriers that prevent organizations from spending their proceeds to meet their goals.

88%

of all respondents reported that they:

- Believe that AGLC charitable gaming proceeds policies enable their organizations to use proceeds from charitable gaming in the best interest of their organizations and communities.

Almost **seventy per cent** believe that eligibility should be reviewed at least every five years.

Ninety-three per cent do not have any concerns about the policies used to determine whether or not a group should be eligible to conduct a charitable gaming activity.

Volunteers

Fifty-four per cent of all organizations have difficulty finding volunteers often or sometimes.

AREAS FOR IMPROVEMENT

Participants were asked to identify the top areas in the model they believed would benefit from improvement.

Top Five Areas For Improvement	Total Respondents	Outside of E&C	Edmonton	Calgary
The amount of time your organization has to wait for a casino event.	56%	67%	37%	46%
The way in which your organization is able to use the proceeds earned from casino, bingo, pull ticket or raffle.	44%	39%	55%	57%
The way that casino proceeds are pooled across different regions.	32%	46%	14%	11%
The amount of proceeds your organization earns by conducting a casino event.	26%	33%	16%	17%
Obtaining volunteers for charitable gaming events.	25%	19%	36%	34%

*The numbers do not add up to 100% as each percentage is based on the amount of respondents for each category (outside Edmonton and Calgary and located in Edmonton and Calgary).

Fifty-six per cent of all respondents believe that the amount of time organizations have to wait for a casino event is an area that could be improved. Sixty-seven per cent of respondents outside Edmonton and Calgary reported that this is an area for improvement, while those living in Edmonton or Calgary reported much lower.

The way in which organizations are able to use proceeds earned from casino, bingo, pull ticket or raffle was the second highest area for improvement from all respondents (44 per cent); however, 55 percent of those organizations in Edmonton and 57 per cent of those organizations in Calgary reported this as an area for improvement more frequently than organizations outside Edmonton and Calgary (39 per cent).

Organizations outside Edmonton and Calgary also reported that the way casino proceeds are pooled across different regions is an area for improvement much more frequently (46 per cent) than those organizations located in Edmonton (14 per cent) and Calgary (11 per cent).

While 25 per cent of total respondents reported that obtaining volunteers for casino events is an area for improvement, organizations located in Edmonton (36 per cent) and Calgary (34 per cent) reported this much more frequently than organizations outside Edmonton and Calgary (19 per cent).

WRITTEN COMMENTS

Participants contributed a total of 8,693 comments.

The table below is a collection of the eight themes that received enough comment responses to aggregate. The comments noted are not direct quotes, but summaries.

Dominant Concerns by Theme

Theme	Primary Comment	Secondary Comments
Regional disparity	The disparity between casino events and proceeds earned in Edmonton and Calgary compared to all other regions is unfair or inequitable.	<ul style="list-style-type: none"> The regional pooling system should be reviewed. To reduce wait times between casino events, rural charities should have access to urban casinos.
Use of proceeds (UOP)	UOP policies do not reflect the actual needs of the groups they are intended to support.	<ul style="list-style-type: none"> Using proceeds for staffing, wages and professional fees (e.g., legal and accounting) should be allowed. Using proceeds for operating costs should be allowed. Policies regarding out-of-province travel for different kinds of groups are inequitable (e.g., dance groups vs. sports teams). The requirement to use proceeds within two years conflicts with the reality that some rural charities must wait more than two years between casino events.
Volunteers	Finding volunteers for charitable gaming events can be a challenge, but the negative experience of volunteers due to policy and regional disparity issues is a bigger issue.	<ul style="list-style-type: none"> Rural charity volunteers are required to commit more time and cost to casino events due to distance to casinos and overnight stays. The new, later, casino hours have made it that much more difficult to create a positive experience for volunteers. Some casinos make volunteers feel unwelcome. Would like to see a regional pool of volunteers to access for casino events.
Financial reporting	The financial reporting requirements are excessively onerous, especially in the volume of paperwork and the length and complexity of the forms.	<ul style="list-style-type: none"> The reporting periods are too short and frequent. More reporting should be done online. Reporting expectations do not reflect the reality that most of the organizations are run entirely by volunteers.
Licensing	The complexity and length of time required to get a licence are excessive.	<ul style="list-style-type: none"> More of the application process, including status updates, should be possible to do online.
Communication with AGLC	There is room for improvement in AGLC communication with charities organizations.	<ul style="list-style-type: none"> The website/online communication is not as helpful as it could be.
Eligibility / not restrictive enough / too restrictive	Too many groups that receive benefits from charitable gaming do not serve their communities accordingly.	<ul style="list-style-type: none"> Stricter licensing requirements and monitoring may reduce the number of groups eligible for casinos, reducing wait times for “legitimate” groups.
Audit procedures	The audit procedures are too complex and lack transparency, especially for volunteer-run organizations.	<ul style="list-style-type: none"> Reduce the frequency of audits. Make the paperwork simpler.

Appendices

Appendix A: Eligible Groups

There is a wide variety of groups that are eligible to participate in charitable gaming.

Eligibility Categories

Licensed Charity Category	Definition
Agricultural fair or exhibition	Groups, such as agricultural societies or exhibition boards, that conduct annual fairs, exhibitions or rodeo or chuckwagon events, may be eligible for licensing.
Aid of the distressed	Groups that have identified specific issues of social concern and actively work to address these issues by providing programs and services to improve the quality of life for individuals, groups and communities affected by disadvantages (such as poverty, mental or physical illness, or disability) may be eligible for licensing.
Arts	Non-profit groups that actively deliver an arts program or activity to the public in the visual arts, the literary arts, the media arts and the performing arts may be eligible for licensing.
Associations such as volunteer emergency services	Groups formed by a group of employees or those founded upon a common occupation or profession with membership open to the general public, for the primary purpose of providing a charitable program or service which benefits the community, may be eligible for licensing.
Children’s social service and educational programs	Groups that deal with children, are not a commercial enterprise and have identified specific issues of social concern and actively address these issues by providing a variety of social services and educational programs for them, may be eligible for licensing.
Community leagues/associations	Groups that are incorporated as community leagues/associations or groups which provide the same types of functions as community leagues/ associations may be eligible for licensing.
Educational support for formal learning	Volunteer educational groups within or affiliated with schools or educational institutions that enhance the educational opportunities of students may be eligible for licensing.
Cultural preservation	Groups identifying themselves with a specific ethnic or national origin that preserve or enhance their heritage, traditions and cultures by offering regular/ongoing educational programs or cultural activities that are open and advertised to the community may be eligible for licensing. (Amended Mar. 2018)
Fundraising for a range of charitable programs	AGLC may find eligible specific fundraising groups such as: a) foundations and “friends of” groups that are incorporated for the purpose of aiding and supporting the charitable work of hospitals, schools and libraries, which are not eligible for licensing due to statutory or policy restraints; and b) community service groups (e.g., nationally chartered service clubs, fraternal groups, and veteran’s groups and the United Way), that operate for the purpose of supporting community projects, community organizations and assisting needy individuals. c) Alberta-based groups at the provincial or regional level that are recognized in the community for giving financial support to a range of unrelated arms-length organizations which provide charitable community programs, services or projects.

Government-supported programs	Groups that deliver programs for community service or public benefit and demonstrate a clear separation in funding and governance from publicly funded programs may be eligible for licensing.
Historical resources	Groups engaged in activities that provide the general public access to our historical resources, such as museums and historical book committees may be eligible for licensing.
Lobbying	Groups that provide public education or counselling programs and liaise with government, while presenting a balance of the range of views on particular issues of public concern may be eligible for licensing.
Medical/health aid and relief	Groups whose primary purpose is to assist those afflicted with a specific physical or mental disorder may be eligible for licensing.
Nature conservation	Groups at the community or regional level that promote nature conservation through educational programs or the operation of public facilities may be eligible for gaming licensing.
Public awareness/information	A group that provides a charitable or religious program or service which provides a community benefit and engages in promotional activities to increase public awareness and participation in their programs or services, may be eligible for licensing.
Religious activities	Religious groups, such as churches, parishes, congregations and lay groups, involved in furthering religious principles or objectives may be eligible for licensing.
Seniors' services/activities	Groups that provide programs and services to assist seniors to remain physically, mentally and socially active in the community may be eligible for licensing.
Amateur sports	Sports groups at the community or regional level that promote a charitable objective through the delivery of a structured and developmental amateur sports program to the public that primarily benefit youth, seniors and/or individuals with a disability, on a team basis may be eligible for gaming licensing.
Youth	Youth sports groups refer to groups where its membership or participants are 21 years of age or younger and participate in youth leagues;
Seniors	Senior sports groups refer to groups where its membership or participants are 60 years of age or older.
Individuals with a disability	Disabled sports groups refer to groups where its membership or participants are disabled.
Youth	Groups that provide youth development programs and services in the community, such as the teaching of leadership, citizenship and community development skills, may be eligible for licensing.
Umbrella (support services to charitable organizations)	An umbrella group that provides support to other charitable groups and that also has responsibility for direct active delivery of charitable or religious programs or services to the community may be eligible for licensing. Umbrella groups that have joint responsibility with charitable groups for the direct delivery of programs or services to the general public and actively contribute resources necessary to the delivery of these programs and services may also be eligible for licensing, e.g., governing bodies of eligible amateur sports leagues (Note: "Necessary" means the

	program or service cannot be delivered to the community in the absence of the resources).
Veterans, service, and fraternal	Groups established on the basis of a national charter and whose general objectives relate to activities that provide community benefit and “auxiliaries” of such groups, may be eligible for licensing.
Community cultural or heritage events	Groups that conduct community events of a not-for-profit nature which promote community heritage or cultural understanding may be eligible for gaming licensing.
Community facility	Groups whose sole purpose is to provide a facility for community use and do not deliver charitable programs of their own may be eligible for gaming licensing. Note: Groups that have been deemed eligible for gaming licensing under another policy provision (e.g., seniors, ethno-cultural) must comply with the eligibility and use of proceeds standards of the policy under which they were deemed eligible.

Appendix B: Allowable Use of Proceeds

The following table is provided as a high-level overview of the types of allowable uses of proceeds and is not intended to provide all ineligible uses of proceeds.

Allowable Use of Proceeds

Allowable Use	Definition
Accounting Fees/Gaming Financial Reports	<p>Licensed groups may use gaming proceeds to hire a Chartered Professional Accountant to prepare gaming financial reports (includes all bingo, casino, pull ticket, raffle, consolidated, supplementary, assistance fund and building account financial reports).</p> <p>Licensed groups may not use gaming proceeds for the preparation of any other financial reports.</p>
Administrative Costs	<p>Administrative costs that are necessary to the delivery of a charitable or religious program or service are eligible uses of gaming proceeds. Approved administrative expenditures shall normally be limited to a maximum cumulative total of 10 per cent of gaming proceeds earned the previous calendar year. Ineligible expenses include food and beverages unless they are part of the charitable program and services, salaries, wages or honorariums for the performance of administrative duties and legal fees.</p>
Assistance Fund	<p>A fund may be established and administered by governing bodies of veterans and service groups to help member groups in financial difficulty.</p>
Bursaries and Scholarships	<p>Gaming proceeds may be donated to a legally established charitable trust fund for the purpose of supporting educational bursaries or scholarships.</p>
Debt Retirement	<p>Gaming proceeds may be used to pay debt incurred in the delivery of a group's approved charitable or religious programs or services. Debt must be incurred as a result of mortgage payments for a public facility or inadvertent expenditures (e.g., emergency repairs to a public facility).</p>
Donations within Alberta	<p>Gaming proceeds may be donated to, or used in support of, charitable or religious groups within Alberta that actively deliver a program or service which provides a community benefit.</p>
Donations outside of Alberta but within Canada	<p>Gaming proceeds may be donated to, or used in support of, charitable or religious groups outside of Alberta that actively deliver a program or service which provides a community benefit. These must be in support of disaster/emergency relief, nationally recognized charitable programs that benefit Albertans or medical and educational research programs that may potentially benefit all Canadians. The donation is limited to a maximum cumulative total of 75 per cent of gaming proceeds earned in the previous calendar year.</p>
Donations outside of Canada	<p>These donations can be used only for international disaster/emergency relief and projects in countries AGLC considers as developing or underdeveloped and countries appearing on the Canadian International Development Agency (CIDA) list of countries or territories eligible for Canadian official development assistance.</p>

Education	Gaming proceeds may be used for the costs of specific educational program(s) or support. This includes a specific educational experience for students which is not principally recreational or social and would otherwise be unavailable, as well as educational equipment and supplies (e.g., audio visual equipment, athletic equipment and musical instruments).
Emergency Funds	Gaming proceeds may be used to provide relief for individuals or families in personal distress or who are victims of physical disaster. This may include equipment and supplies or the training of volunteers during emergency situations.
Endowment Funds	Gaming proceeds may be used to establish and/or donate to an endowment fund, for supporting approved charitable or religious purposes. Endowment fund contributions are limited to a maximum cumulative total of 50 per cent of the gaming proceeds earned in the previous year.
Equipment	Gaming proceeds may be used to purchase or rent equipment if the equipment is essential to the delivery of the organization's charitable programs or services. Ownership of the items purchased must remain with the licensed group.
Facility	For groups that provide a public facility, gaming proceeds may be used for the capital, leasehold, rental and operating costs of the facility. Restricted to up to 50 per cent of proceeds: Ethno cultural and groups providing a facility with public access and areas for exclusive use of members and guests, are restricted to 50 per cent of gaming proceeds may be used for the capital, leasehold, rental and operating costs of the facility.
Officials/Judge Fees	Gaming proceeds may be used for fees for referees, umpires, adjudicators or other positions responsible for officiating or judging a competition.
Promotional Activities	Gaming proceeds may be used for promotional activities designed to increase public awareness and participation in charitable or religious programs. This includes advertising in newspapers, radio, television, posters, signs, pamphlets, letters and internet web pages.
Registration/Affiliation Fees	Gaming proceeds may be used for registration fees/affiliation fees when related to a charitable or religious group's specific objective.
Rent – Facility	Gaming proceeds may be used for rent of a facility for ice rental, sports fields and stages for performing arts groups.
Resource Materials	Gaming proceeds may be used for the design, printing, postage and purchasing costs of resource materials, books, manuals and videos.
Senior Citizen Activities	Gaming proceeds may be used to pay for approved expenditures related to the special needs of senior citizens. Senior citizens are defined in AGLC policy as those 60 years of age or older.

Special Program Support	Gaming proceeds may be used for unique programs pertaining to the organization’s program delivery.
Sports	Gaming proceeds may be used to support eligible sports groups, such as rental fees of a facility or a venue for the group’s sporting events. Gaming proceeds may be approved to purchase uniforms and equipment as long as these are required for the participation in the sport (see also Uniforms/Costumes and Equipment in this table). Groups may also use gaming proceeds to pay for the reasonable costs of certifying officials and judges in their sport, including training and education costs. Gaming proceeds may be used to pay for awards such as trophies, plaques and ribbons. Adult sports groups with a youth component must use at least 50 per cent of their gaming proceeds on their youth programs.
Travel within Alberta	Gaming proceeds can be used to pay travel expenses to conferences, seminars, workshops, clinics, meetings and conventions that are directly related to the group’s charitable programs or services. Gaming proceeds can also be used for travel that enriches an educational institution or school’s curriculum. Groups involved in activities such as music, dance and drama may use gaming proceeds for travel if the group is participating in a recognized and organized event, such as a competition or festival. Individuals and teams involved in structured and developmental amateur sports may be approved to use gaming proceeds to travel to organized, structured and sanctioned events.
Travel outside Alberta	Gaming proceeds may be used for travel required for a group to deliver its programs outside Alberta as either a normal part of the group’s activities, or an earned opportunity to go to a higher level of activity.
Uniforms/Costumes	Gaming proceeds may be used to purchase or rent uniforms or costumes if they are essential to the delivery of the organization’s charitable programs or services.
Vehicle Purchase/ Repairs/Operation	Gaming proceeds may be used to purchase or rent vehicles if these are essential to the delivery of the organization’s charitable programs or services. Gaming proceeds may also be used for registration, insurance, repairs and operation.
Volunteer Conferences/Seminars/ Training	Gaming proceeds may be used for events that are primarily organized for educational purposes related to a specific charitable program or service supported by the group or delivered in the community.
Volunteer Expenses	Gaming proceeds may be used to reimburse volunteers for approved expenses incurred while working a gaming event.
Wages, Salaries, Fees for Service and Honorariums	Gaming proceeds may be used to pay salaries, wages and fees for service or honorariums only if the duties performed are essential to the group’s program delivery, the duties are performed by a person with specialized qualifications and the duties cannot be reasonably performed by a volunteer.