

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

### A. ELIGIBILITY GUIDELINES

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

### B. COMPLYING WITH THE LEGISLATION AND LICENCE

1. Pull tickets must be sold according to the Criminal Code of Canada, the *Gaming, Liquor and Cannabis Act*, the Gaming, Liquor and Cannabis Regulation, AGLC policies, the licence and these Terms & Conditions. Note: licence requirements may show changes from original application.
2. Persons under 18 years of age are not permitted to purchase or play pull tickets, or be awarded a pull ticket prize. (Amended Feb 2014)

3. Unless otherwise approved, licensees must pay a licence fee of \$5 per pull ticket unit. (Amended Dec 2018)
4. Bingo associations licensed to conduct pull ticket sales must comply with Section 6 of the Commercial Bingo Handbook. (Amended Feb 2014)
5. Pull ticket sales must not be delegated to another group or to a person who is not a member of the licensed group.
6. Changes to a licence may only be made through a licence amendment issued by AGLC. Requests for approval to amend a licence must be made in writing to AGLC by an executive officer of the licensee.
7. The licensee must pay all winning tickets that are presented for payment and that are from units the licensee has sold.
8. All municipal, provincial and federal laws must be obeyed.
9. AGLC must be given access to all areas where pull tickets are sold or kept. They may examine any ticket or related document and remove them for further review.
10. Any suspected cheating or other problem must be reported immediately to AGLC at 1-800-742-7818 (24-hour).

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

1. The licensee must establish and submit to Licensing Division house rules governing pull ticket sales. The rules must comply with these Terms & Conditions. Both the licence and house rules must be displayed at sales areas. The house rules must include:
  - a) The notice that minors are not permitted to purchase or play pull tickets, or be awarded a pull ticket prize. (Amended Feb 2014)
  - b) The notice that tickets are sold for cash only. Cashing cheques or extending credit is prohibited.
  - c) Sellers are not permitted to purchase tickets while selling.
  - d) The number of major winners remaining in or sold from a unit in play must not be disclosed to anyone.
  - e) Disputes will be resolved by management. Unresolved disputes may be referred to AGLC.
  - f) Winning tickets will be redeemed only if identifiable with a unit sold by the licensee.
  - g) Procedure used when Seal Card winner cannot be located.

## D. TICKET STANDARDS AND TICKET APPROVAL

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

## **E. APPROVED GAME FORMATS**

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

## **F. SALES**

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

3. Pull ticket sales must be restricted to the licensee's premises unless otherwise approved by AGLC. Pull tickets can only be sold in the specific area approved on the licence.
4. Groups can be licensed to sell pull tickets at special events, such as a sports event or an arts or cultural festival, under the following conditions:
  - a) The sales are restricted to the premises or area specified on the pull ticket licence.
  - b) The hours of sale conform to the hours of the special event.
  - c) The licensed charity has a written agreement with the event operators, a copy of which must be submitted to AGLC upon request.
  - d) No new units are to be opened unless there is a reasonable expectation they will be sold before the event ends.
  - e) All other terms and conditions are met.
5. Pull ticket sellers must not purchase tickets while on duty. Off duty sellers must not buy tickets from units they have sold or from any other unit they may know the status of.
6. Patrons must not draw or pick their own ticket(s) from approved pull ticket containers. *(Amended Aug 2019)*
7. Units must be opened for sale and be immediately emptied and thoroughly mixed into an approved container in view of the public. All sales are to be made from an approved container. Approved containers must be:
  - a) Transparent and hard sided.
  - b) Open to viewing by buyers.
  - c) Able to hold a minimum of one seal card unit, or hold a minimum of one and one half standard (i.e., non-seal card) units.
8. New seal card units must be a different colour than the previously sold unit.
9. When it appears all winning tickets of a value of \$5.00 and over have been paid, the licensee has the option of removing the unit(s) from sale.
  - a) All unsold and winning tickets must be sealed in a plastic bag. The unit's serial number and the date the bag is sealed must be placed on the bag.
  - b) The bag must be kept in secure storage, and must be retained for a minimum of six months.
  - c) The unit(s) cannot again be put out for public play.
10. Except for seal card units, the licensee must co-mingle all units. Co-mingling must be conducted as follows:
  - a) Co-mingled units must be the same type, colour, and number of tickets per unit.
  - b) If the licensee wishes to change the type, colour, or number of tickets per unit being sold, the pull ticket container must be sold out completely before changing units.

- c) When a unit is approximately half-sold, an additional unit must be added to the pull ticket container and must be thoroughly mixed in with the remaining tickets.
- d) An entire unit must be added at one time and must be contained within the pull ticket container.
- e) Every four months and at the end of the licence period, each pull ticket container which has co-mingled units must be sold out completely, and sales and deposits reconciled for audit purposes.
- f) Pull ticket units containing a “Seal Card” feature must not be co-mingled.

11. Pull tickets with a “Seal Card” feature must be sold under the following conditions:

- a) Co-mingling of units is not allowed.
- b) The seal card must be conspicuously posted in full view of the players at the location where the game is held, operated or conducted.
- c) Names of holders of pull tickets which contain the matching pre-designated symbols, letters or numbers on the seal card must be printed on the appropriate line, next to that symbol, letter or number on the seal card.
- d) The licensee is responsible for obtaining sufficient information to locate the winner(s) if the winner(s) are not present when the seal(s) is removed.
- e) If the winner(s) cannot be located within 30 days of the seal card window(s) being opened, a Discrepancy Report must be submitted to AGLC, together with the licensee’s recommendation for disposition of the prize.
- f) When the Seal Card is completed and all tickets with a prize value of \$5.00 and over appear to have been sold, or all tickets have been sold, the seal may be removed to reveal the prize(s) and winning line(s). Any tickets not sold must be handled as required under Section F.9 of these Terms & Conditions.
- g) The seal(s) must be removed in the presence of two representatives of the licensee. The representatives will acknowledge their presence by signing and dating the Seal Card. The Seal Card must form part of the licensee’s pull ticket records and must be retained as per Section I.3 of these Terms & Conditions.
- h) If all tickets have been sold and the Seal Card has not been completed (i.e., all lines do not have a name), the seal(s) must be removed. If the winner(s) are blank lines, the licensee must complete a Discrepancy Report to AGLC with a recommendation for disposition of the prize.

12. Sellers must permanently deface all winning tickets of a value of \$5.00 and over, once the prize has been paid. Use of a permanent mark marker or a hole punch is recommended. If all tickets in a unit are sold, and the seller has balanced, winning tickets can be destroyed. (does not apply when a partial unit is removed from sale as per Section F. 9 of these Terms & Conditions).

## **G. SECURITY**

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

## **H. EQUIPMENT**

1. Pull ticket dispensing machines are approved for sale to licensees, and may be used as a means of inventory control and security under the following conditions:
  - a) the equipment does not accept cash and cannot be operated by players to purchase pull tickets;
  - b) the equipment is only used as "back office" (away from the pull ticket sales area) equipment to:
    - i) count pull ticket inventory; and
    - ii) count pull tickets issued in batch to pull ticket sellers for general sales.
  - c) the equipment cannot be used to dispense pull tickets directly to players;
  - d) only equipment approved in advance and in writing by AGLC may be utilized by a pull ticket licensee to assist in the sales of pull tickets;
  - e) the equipment is purchased by the licensee from a registered gaming supplier;
  - f) the equipment is in proper working condition, and is regularly checked and maintained according to the manufacturer's specifications; and
  - g) the equipment is subject to inspection by AGLC.

## **I. PROFITS AND EXPENSES**

1. Profits must be spent only on approved uses.
2. Up to 10 percent of the net revenue may be used for the administrative costs of pull ticket sales including wages for sellers. Net revenue equals gross profits less prize payouts and unit costs, including GST.

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

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

1. The licensee is required to keep accurate financial records. The following forms must be used:
  - a) Pull Ticket Inventory Reconciliation; and
  - b) Pull Ticket Inventory and Sales Record.
2. The following reports are forwarded by AGLC, and must be returned, with supporting documents, within 60 days of the mail-out date:
  - a) Yearly Pull Ticket Financial Report if the licence period is more than twelve months.
  - b) Final Pull Ticket Financial Report if the licence period is less than twelve months.
3. All pull ticket records must be kept for two years after the licence expires (excluding defaced winning tickets). AGLC must be allowed to view and make copies of all records related to pull tickets. This includes any location, or financial institution, where records may be kept. AGLC may remove these records for further examination.
4. The licensee's books and records are subject to review and or audit by AGLC and must be maintained in a manner acceptable to AGLC and Revenue Canada.
5. The areas normally subject to audit will include, but not be limited to:
  - a) Books of original entry (including computerized records):
  - b) Invoices;
  - c) Bank statements and cancelled cheques;
  - d) Pull Ticket Inventory Reconciliation and Pull Ticket Inventory and Sales Record;
  - e) Contracts, agreements or similar documents;



- f) Payroll records;
- g) Income Tax and Goods and Services Tax Returns;
- h) Minutes of AGM and Executive meetings;
- i) External accountant's/auditor's working paper files;
- j) Annual (audited) financial statements;
- k) The business and financial records (as outlined above) of any entity (including but not limited to societies, non-profits, associations, community leagues, corporations, partnerships, limited partnerships, joint ventures, proprietorships, etc.) that is related to the licensee and/or an executive or board member of the licensee that is in receipt of any of the licensee's gaming funds either directly, indirectly or through a series of transactions.