

Use of Charitable Gaming Proceeds

Key Principles

Gaming proceeds must only be used for charitable objects or purposes which are consistent with the group's eligibility for gaming licensing and support the delivery of the group's charitable objectives, programs, and services.

Gaming proceeds must be spent reasonably and in a cost-effective manner.

The following are ineligible uses of gaming proceeds:

- Fundraising activities
- Activities, events, or operations intended to generate profit, and the purchase of any equipment, supplies, or services for the purpose of generating a profit
- Members' self-interest or individual personal benefit
- Payment to the board or executive members for their services
- Donations to individuals, except as permitted in CGPH 4.4.7 Emergency Funds
- Social, recreational, hobby, commercial, or professional interests of members or others
- Professional fees for conducting an audit or review engagement
- Legal fees
- Reimbursement of wages for travel, such as a conference
- Cash for awards and recognition of earned achievements or volunteer appreciation
- Political activities, such as candidacy costs for public office, political conventions, and research for a political party
- Lobbying activities aimed at influencing or attempting to influence government for a specific cause or to achieve changes in public policies
- Avoidable fees such as late fees, non-sufficient funds, overdraft etc.
- Debt incurred by the group except as permitted in CGPH 4.4.13 Facility
- Alcoholic beverages
- Funerals, cremations, burial plots, headstones etc.
- Community beautification

Groups must:

- Maintain ownership, control, and an asset log of items purchased with gaming proceeds
- Purchase, lease, register, and insure major items such as facility, equipment, or a vehicle in the name of the group or other approved entity
- Deposit funds obtained from the sale or rental of items purchased with gaming proceeds into a gaming bank account
- Establish a written policy for the use of equipment, vehicles, or other items purchased with gaming proceeds

COST RECOVERY

Expenses for charitable programs or activities that generate revenue should be managed on a cost-recovery basis.

RELATED-PARTY TRANSACTIONS

Must be:

- Conducted at fair-market value or less
- Disclosed to the group's membership, documented in the meeting minutes, and in requests for approval, including:
 - A description of the relationship between the transacting parties
 - A description of the transactions, including those for which no amount has been recorded
 - The recorded amount of the transaction
 - Contractual obligations with related parties

Quotes from third parties must be obtained prior to the completion of related-party transactions to determine fair-market value and provided to AGLC upon request.