

TERMS AND CONDITIONS FOR CHARITABLE GAMING LICENSEES TO CONDUCT AND MANAGE BREAKOPEN TICKET GAMING LOTTERIES

PREAMBLE

Section 207(1)(b) of the *Criminal Code* provides that the Lieutenant Governor in Council of the Province may specify a licensing authority to permit charitable or religious organizations to conduct and manage lottery schemes in the Province, provided that the proceeds of the lottery scheme are used for a charitable or religious object or purpose.

The Indigenous Gaming Regulators Inc. (IGR) has been specifically designated as a body having the authority to issue licences to charitable or religious organizations to conduct and manage Charitable Gaming on designated Reserves located within the Province of Saskatchewan in accordance with the *Criminal Code*.

Charitable lotteries include bingos, breakopens and raffle lotteries. The conducting of a lottery scheme without a valid licence is an offence under the *Criminal Code*.

The terms and conditions as provided for herein have been established by IGR for use in its licensing and regulatory operations, and shall have application to all Licensees licensed by IGR wishing to conduct and manage breakopen lotteries.

ARTICLE 1 - DEFINITIONS

1.01 In these Terms and Conditions:

- (a) "Addendum" means an amendment to a Licence, allowing for the addition or deletion of dates, changes in times or locations. Upon issuance by IGR, the Addendum shall form a part of the original Licence;
- (b) "Breakopen Event" means a period of time, at a location indicated on the Licence, in which Breakopen Tickets are made available for sale;
- (c) "Breakopen Lottery Scheme" means a lottery scheme within the meaning of Section 207 of the *Criminal Code* at which Breakopen Tickets are offered for sale to the public;
- (d) "Breakopen Event Close-Out Summary" means a document which details all financial transactions, including number of tickets sold and prizes paid related to a particular Breakopen Event in a format authorized by IGR;

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- (e) "Breakopen Ticket" means a gaming piece used in a game of chance that is completely made of paper or paper products which conceal numbers or symbols that must be exposed by the player by tearing off a covering in order to determine wins or losses;
- (f) "Certificate of Registration" means a certificate of registration as a gaming employee or a gaming supplier issued either by the Saskatchewan Liquor and Gaming Authority pursuant to the provisions of *The Alcohol and Gaming Regulation Act, 1997* or by IGR (effective upon establishment of IGR's authority in that regard);
- (g) "Charitable Gaming Licence" means a licence issued by IGR to conduct and manage Charitable Gaming on Reserve pursuant to Section 207(1)(b) of the *Criminal Code*;
- (h) "Game Unit" describes a complete set of elements of winning and losing Breakopen Tickets packaged as a set, bearing identical serial numbers;
- (i) "Gross Revenue" means the total money spent (bet) by patrons in order to participate in the Breakopen Event;
- (j) "IGR" means Indigenous Gaming Regulators Inc. or its successor;
- (k) "Licence" means a Charitable Gaming Licence as issued by IGR for the conduct and management of a Breakopen Lottery Scheme at the site specified on the licence;
- (l) "Licensee" refers to the holder of a valid and subsisting Licence as issued by IGR;
- (m) "Net Proceeds" means the funds left for charitable use after the payment of prizes to players and all expenses authorized by IGR.

ARTICLE 2-- INTERPRETATION

2.01 All references contained in these Terms and Conditions to any legislative enactments shall include any such Statutes as may be amended, re-enacted or replaced from time to time and, in respect of any defined term derived from such Statutes, includes any subsequent definition contained in any Statutes enacted in substitution therefor, or in modification thereof.

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ARTICLE 3 - SUSPENSION OR CANCELLATION OF LICENCE

3.01 A Licensee who operates in breach of any term or condition herein may be subject to an immediate suspension or cancellation of the Licence to which the breach relates, or any other Licence issued or pending from IGR.

ARTICLE 4 - ACCESS TO RECORDS

4.01 Every Licensee shall allow an inspector or any person duly authorized by IGR access to his or her premises, books, records or other documents at all reasonable times for the purpose of making an inspection. Where any book, record or other document has been examined, IGR or any person authorized by IGR may make copies of the book, record or other document.

ARTICLE 5 - DISTRIBUTION OF GROSS REVENUE

5.01 All of the Net Proceeds of the Breakopen Lottery Scheme shall be retained by the Licensee and used exclusively for the approved authorized charitable or religious object or purpose.

5.02 No prizes, other than provided for in the game structure of the Game Units sold, shall be paid.

5.03 Only allowable expenses, as determined by IGR shall be paid in the conduct of any Breakopen Lottery Scheme.

ARTICLE 6 - GENERAL CONDITIONS

6.01 Requested amendments to any Licence shall be submitted in writing by an authorized representative of the Licensee for approval to IGR. The submission of requested amendments shall not imply approval by IGR.

6.02 Licences are not transferrable or assignable. No "donations" or other payments are permitted to any group who sell or assist in the sale of Breakopen Tickets in exchange for such "donation".

6.03 IGR may attach any special terms or conditions to any Licence as IGR may deem necessary, which shall become part of the general terms and conditions of the Licence.

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- 6.04 Licensees shall purchase and sell only Game Units acquired from a gaming supplier holding a valid Certificate of Registration.
- 6.05 A Licensee shall not lend or borrow any Game Units, opened or unopened.
- 6.06 Every Licence to conduct and manage a Breakopen Lottery Scheme shall be subject to the term and condition that IGR may, when the licence is in effect, prescribe amendments to the terms and conditions of the Licence, effective no less than ten (10) days after IGR sends a copy of the amendments by ordinary mail addressed to the Licensee at its last known address.

ARTICLE 7 - CONDUCT OF BREAKOPEN GAMING

7.01 Every Licensee shall:

- (a) supervise and be responsible for the conduct and management of every aspect of the Breakopen Lottery Scheme, including the collection of money and the payment of prizes and expenses;
- (b) conduct a Breakopen Lottery Scheme only at and within the confines of the location, or locations, approved by IGR which appear on the Licence issued by IGR;
- (c) post in a conspicuous place at the facility for the Breakopen Lottery Scheme a copy of the Licence;
- (d) not pay the Breakopen Lottery Scheme workers any remuneration, per diem, honoraria, or any other form of direct or indirect compensation or consideration for the service provided;
- (e) offer for sale every Breakopen Ticket of every Game Unit opened. All Breakopen Tickets from within the Game Unit must be sold and all prizes paid;
- (f) not directly or indirectly communicate with, or indicate to any person the status of any partially sold Game Unit, particularly as it relates to the quantity of winning game Breakopen Tickets left available for sale;
- (g) ensure that Game Units are not tampered with, such that the entire prize pool within each Game Unit is intact and offered for sale in its entirety;
- (h) ensure Breakopen Tickets sold shall be exchanged for Canadian currency;
- (i) not extend credit;

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- (j) pay all winners in cash immediately upon presentation of a valid winning Breakopen Ticket;
- (k) not sell or offer for sale Breakopen Tickets directly from the original packaging in which the Breakopen Tickets were purchased and must thoroughly mix Breakopen Tickets prior to selling;
- (l) ensure all Breakopen Ticket sales are final;
- (m) keep every Game Unit purchased from the authorized supplier sealed, intact and unopened in the original seal or packaging and in safe keeping until the Game Unit is offered for retail sale;
- (n) keep partially sold Game Units secure to ensure the integrity of the unsold game Breakopen Tickets until the next authorized Breakopen Event;
- (o) ensure that no unsold Breakopen Tickets are destroyed;
- (p) prohibit volunteers from purchasing or playing Breakopen Tickets during any Breakopen Event at which they work;
- (q) ensure that Breakopen Ticket patrons have, at all times, full and equal chance to purchase all winning tickets in every Game Unit offered for sale. No portion of the Game Unit shall be held back from sale;
- (r) ensure that gaming employees or employees of a Licensee, do not purchase Breakopen Tickets in the hall or premises in which they are employed;
- (s) include the full name as it appears on the Licence of the Licensee, in any advertising in print, radio, television or any other media, but may exclude insertion of the Licence number;
- (t) observe and comply with all applicable laws;
- (u) report immediately, in writing, to IGR any cheating or other gaming irregularity, known or suspected;
- (v) prohibit persons under the age of sixteen (16) years of age from purchasing or being involved in the sale of Breakopen Tickets; and
- (w) prohibit the sale of Breakopens Tickets in retail outlets.

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ARTICLE 8 - DOCUMENTATION AND CONTROL OF WINNING BREAKOPEN TICKETS

- 8.01 Every Licensee shall adopt the following procedures for documentation and control of winning Breakopen Tickets for the purpose of destruction:
- (a) any winning ticket whose prize is less than \$5, shall be torn in no fewer than two pieces, and then discarded in a garbage can;
 - (b) any winning ticket whose prize is \$5 or greater, but less than \$20, must have the tabs torn off, and be retained until the box that it originated from has been completely sold. Once the box is sold, the winning tickets in those amounts shall be counted and then destroyed by shredding; and
 - (c) any winning ticket whose prize is \$20 or greater, up to and including \$1000, must have the tabs torn off, and be retained until the box that it originated from has been completely sold. The tabs on these tickets shall be torn off and the word "PAID" shall be written on both sides of the ticket with permanent marker. The tickets must then be kept on hand for a minimum of 90 days. After the 90 days has elapsed, these tickets shall be destroyed by shredding.

ARTICLE 9 - DISPOSAL OF UNSOLD BREAKOPEN TICKETS

- 9.01 In the event that a Licensee decides to discontinue Breakopen Ticket gaming either through relinquishing a licence or allowing it to expire, the Licensee must dispose of:
- (a) remaining unopened boxes of Breakopen Tickets by returning those boxes to the supplier; and
 - (b) remaining Breakopen Tickets in opened boxes by:
 - (i) contacting IGR;
 - (ii) advising IGR as to the quantity of tickets required to be picked up; and
 - (iii) arranging for a mutually agreeable date and time for IGR to pick up the tickets.

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ARTICLE 10 - BANKING

10.01 Every Licensee shall:

- (a) open and maintain a separate and distinct bank account for Breakopen Lottery Scheme proceeds or maintain a single bank account for Bingo and Breakopen proceeds only. Should the Licensee elect to maintain a single lottery bank account, deposits for each lottery's proceeds shall be made on separate deposit slips;
- (b) deposit all the funds from the Breakopen Lottery Scheme into the lottery bank account no later than the second banking day following each Breakopen Event unless otherwise authorized in writing by IGR, such that for each day a Breakopen Event is conducted, there is a corresponding deposit;
- (c) hold all funds on deposit in the lottery bank account until such funds are required for the authorized charitable or religious object or purpose;
- (d) make all disbursements from the lottery bank account by cheque directly to the authorized charitable or religious object or purpose. Funds may NOT be transferred to a "general" or any other account prior to disbursement to the authorized charitable or religious object or purpose;
- (e) ensure any and all interest paid into a lottery bank account becomes subject to the licensed charitable spending restrictions as though such interest was earned as part of the lottery proceeds; and
- (f) not lend or advance any proceeds or any portion of the lottery Gross Revenue to any person or group for any purpose.

ARTICLE 11 - ACCOUNTING AND FINANCIAL REPORTING

11.01 Every Licensee shall:

- a) complete a report of all unsold inventory in such form and manner as may be prescribed by IGR. This report shall be filed 30 days prior to the conclusion of the Breakopen Event or as otherwise instructed by IGR;

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- b) prepare and maintain a register/journal to accurately reflect and describe all transactions occurring in the lottery bank account including the following details of all disbursements of proceeds made from the account:
- (i) cheque number;
 - (ii) date of cheque;
 - (iii) payee;
 - (iv) dollar amount; and
 - (v) purpose.
- c) in the case where the Licensee ceases to conduct the Breakopen Lottery Scheme, retain any partial Game Units unsold and maintain them in a secure place until the tickets have been picked up by IGR as set out in Article 9;
- d) retain all records relating to all Breakopen Events conducted for a minimum of three (3) years from the date of expiry of their Licence including:
- (i) breakopen purchase invoices;
 - (ii) deposit book(s) slips;
 - (iii) lottery bank account statements;
 - (iv) cancelled cheques;
 - (v) copies of unsold inventory reports made to IGR;
 - (vi) cheque register(s);
 - (vii) summary ledgers journals;
 - (viii) receipts and/or invoices.

11.02 When the Licence is held by a Class "A" bingo Licensee, the Licensee shall in addition to the obligations imposed under subsection 11.01 above:

- a) complete a Breakopen Gaming Event Close-Out Summary Report in a form prescribed by IGR for each Breakopen Event. These forms shall be completed on an event basis to reconcile cash to inventory and shall contain the information described in subsection 11.01(b);
- b) complete in detail a Monthly Breakopen Event Log in a form prescribed by IGR showing all Breakopen Event activity conducted during the month at the Class "A" location (One Monthly Breakopen Event Log can be submitted to accommodate all Breakopen activity at that location). The Monthly Breakopen Event Log shall be submitted to IGR within five (5) days following the end of each calendar month;

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- c) complete a quarterly Breakopen Disbursement Report in a form prescribed by IGR signed by each Class "B" Licensee for their cash received. The Breakopen Disbursement Report shall be submitted to IGR within five (5) days following the end of each quarter;
- d) disburse proceeds to each Class "B" Licensee conducting Bingo Events during the three (3) month period based upon a prorated share calculated by the number of Events conducted. Cash received must be deposited into the Class "B" Licensee's lottery bank account and is subject to the allowable spending guidelines as indicated on their bingo licence budget letter; and
- e) obtain IGR approval for all expenses prior to disbursement. The Licensee shall be allowed to cover expenses for the purchase of Breakopen Tickets.

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