

OCGA E-RAFFLE WEBSITE CONTENT

This is a charity information website all about e-raffles – a new and exciting charitable gaming fundraising tool for eligible charities and non-profits in Ontario. It gives you the basic information you need to get started.

Disclaimer

The information in this site is for general information purposes only. We've done our best to make it as accurate as possible and while we will work to keep the information up-to-date and correct, OCGA makes no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability or suitability of the information or views expressed in this website. OCGA will not be responsible or liable for any loss or damage arising from the use of this website and strongly encourages Ontario charities and non-profits to directly and independently review and investigate all aspects of e-raffles including all regulatory requirements established by the Alcohol and Gaming Commission of Ontario.

Who we are

This information in this site has been prepared *by* charities *for* charities. We're the Ontario Charitable Gaming Association (OCGA), representing the thousands of charities and non-profits that raise funds through licensed charitable gaming, including cGaming/electronic bingo, paper bingo, Break Open Tickets, paper raffles and e-raffles.

How to reach us

You can find the OCGA at www.charitablegaming.com. If you have a question about e-raffles, send it to us at eraffles@charitablegaming.com

1. What are e-raffles and how do they work?

E-raffles are an exciting new form of charitable fundraising that is being licensed by the Alcohol and Gaming Commission of Ontario. They're a modern version of traditional paper raffles – including 50/50, fixed-prize and “Catch the Ace” draws. As with other types of raffles, there is no cap on the prize levels that can be reached and using electronic means, charities may be able to reach more people and raise more money than traditional paper raffles.

There are two main types of e-raffle technology that can replace traditional paper raffle tickets:

- i) In-person raffles, where volunteers sell tickets in approved locations using hand-held point-of-sale (“POS”) units
- ii) Online

In this section, you can find information about:

1. How in-person e-raffles work
2. How online e-raffles work
3. Where an e-raffle can take place
4. Combining hand-held and online e-raffles
5. Prizes
6. Ticket prices and configurations
7. Marketing and awareness are really important
8. How long an e-raffle can run
9. Customer payment options
10. Charity expenses
11. AGCO inspections and notifications

While most of the information in this website is about e-raffles, you don't actually have to hold an e-raffle to take advantage of the new rules. For example:

- If your charity wants to hold a paper-based draw, you can now sell your tickets electronically. That means customers could order and pay for their tickets online and still receive them in the mail.
- If your charity has a staff lottery where tickets are sold through payroll deduction, the administration of those sales can now be electronic.

1.1 How in-person e-raffles work

A traditional charity 50/50 draw at a fundraising event like a youth sporting event, fall fair, fundraising dinner, golf tournament, a hospital lobby involves volunteers with rolls of paper tickets and aprons to hold the cash.

An e-raffle uses hand-held technology (hardware and software solution) provided by an AGCO-registered e-raffle supplier to do the same thing.

Charity volunteers and/or staff sell tickets through hand-held point-of-sale (POS) units that look like tablets. Once a sale is made, a ticket is printed out on a small thermal printer that the volunteer wears on their waist.

Every transaction is recorded and tracked in real time and the prize amount accumulates in real time too on in-venue displays as well as on the raffle POS devices.

Instead of drawing a paper ticket from a drum, a random number generator selects the winning number.

A charity “raffle event manager” (a charity volunteer or staff person) is responsible for overseeing the e-raffle – managing the event software, monitoring volunteers, tracking sales, counting receipts, and looking after the equipment. The charity raffle event manager is responsible for the security of the process, cash counting, financial management, and signing-out/securely storing raffle equipment.

1.2 How online e-raffles work

All of the action takes place online. Charities can develop and use their own online e-raffle software solution once approved by the AGCO or can contract with a third-party e-raffle Supplier who will provide an AGCO-approved online solution.

If you are using an e-raffle supplier, they will typically work with you to set up an e-raffle website, through their own proprietary web portal. The website can be customized to your organization, including graphics, messages, and ticket look, bundling and prices.

Your raffle event manager has secure, password protected access to schedule and create raffle events, including determining the duration of the e-raffle and ticket prices.

Once the raffle is “live”, customers visit your organization’s e-raffle website through their desktop, tablet or phone and enter their personal and credit card payment information to make a purchase. For each purchase, they receive an email with an electronic or SMS (text to cell phone) receipt that includes their raffle ticket numbers.

Customers can periodically visit the website to check on the prize amount or you can send them regular update emails and texts as the prize grows.

1.3 Where e-raffles can take place

Tickets can be sold by from multiple locations at the same time. Local charities are limited to locations in communities where they deliver services. Provincial charities can sell tickets across the province. For in-person e-raffles, you will need to be specific about how many locations and where they are in your application to the AGCO. For online e-raffles, your e-supplier can help you set it up to limited (or “geo-fenced”) to a specific area, like your town, county, or service area.

1.4 Combining in-person and online e-raffles

The AGCO rules allow you to combine in-person and online. For example, you could conduct a 3-month long online raffle and during that time, also sell tickets using hand-held units at approved locations and at different times – for example, a fundraising dinner, a golf tournament, or from your hospital lobby.

1.5 Prizes

Prizing is flexible, including 50/50 draws, fixed-prize draws, and Catch the Ace. For 50/50 draws, the winner of the main prize draw must receive 50 percent of ticket sales.

You can also “seed” the prize board with additional cash or merchandise prizes so that you’re starting with prizes already being available (rather than wait for the main prize to grow from \$0). You can also offer “early bird” and consolation prizes to make the event more interesting for customers.

Seeded prizes must be paid for from the charity’s half of the ticket sales, or they can also be donated by sponsors – and those sponsor’s logos can appear in marketing material, on printed raffle tickets, and on your e-affle website.

Also, your e-affle supplier is allowed to guarantee a minimum prize or minimum amount to your charity, or both.

1.6 Ticket prices and configurations

As the charity licensee, it is your responsibility to decide on ticket prices and configurations and they are completely customizable. For example, you can offer 1 for \$5, 3 for \$10 and 20 for \$20. Or, even 100 for \$20.

Customers can buy as many entries as they want from the volunteer. But instead of printing out each individual ticket, the customer receives a single printed receipt that includes all of their ticket numbers.

1.7 Marketing and awareness are really important

Charities are responsible for marketing related to their e-affle and are allowed to use a third-party marketing service to assist (your supplier cannot provide this service). Especially for online raffles, effective marketing is the key to success. For example, if you don’t have a large database of social media and email contacts, you may have challenges with marketing your online e-affle. For in-person

e-raffles, it will be important to display the accumulating jackpot in as many locations as possible to create a call to action and generate player excitement.

All marketing materials must comply with AGCO requirements, including related to Responsible Gambling (RG). The details on RG requirements are in the [AGCO E-Raffle Operational Terms and Conditions](#) but some of the key points are:

- No sales to minors or intoxicated persons.
- Marketing and advertising materials can't:
 - Appeal primarily to minors or appear in locations that are primarily youth oriented
 - Use people who are or appear to be minors – except if you are showing that the beneficiaries of the fundraising are minors
 - Imply that the chances of winning increase the more one plays or spends
 - Mislead or imply that buying a raffle ticket is required for social acceptance, personal success, or to resolve economic, social or personal problems
 - Encourage purchases of tickets as a means of recovering past gambling or other financial losses

Also, at a minimum the [ConnexOntario](#) Help Line phone number and website address must appear on tickets, on any other material that is distributed to players, and on your charity's website if that site includes information about the e-raffle.

1.8 How long an e-raffle can run

Charities have lots of flexibility to decide how long an e-raffle will run.

In-person and online e-raffles can last a few hours, a whole day, a weekend, a week or even months. Sales can take place every day/all day or more occasionally. You'll be asked for this information in your licence application.

Here's an example. A charity that has its own venue – a hospital for example – could decide to hold a one-month raffle. Charity volunteers could sell tickets using hand-held POS devices in the main lobby and gift shop every day for a few hours, with the prize building over the course of the month and the draw taking place at the end of the month.

1.9 Customer payment options

For hand-held/in-person e-raffles, charities may decide to accept cash, credit, or debit. For credit and debit, your e-raffle supplier can advise on how to do this, including through a third-party financial services provider. Third-party electronic payment options involve additional contracts and fees, but so far are proving to be the most effective approach.

For online e-raffles, players pay with credit cards or other secure e-transfer means.

Subscription-based e-raffles are not permitted.

1.10 E-raffle expenses

The AGCO has not set limits on e-raffle expenses. All expenses must be reasonable and directly related to the management and conduct of the raffle.

1.11 AGCO inspections and notifications

Your raffle event might be inspected by the AGCO at any time. The Inspector will need to have physical access to verify the raffle – for example, to inspect the devices or survey the premises to ensure sales are taking place in the approved locations.

Here's a list provided by the AGCO of the kinds of things an Inspector could look for:

- Your e-raffle licence is available to the public
- Raffle operators are knowledgeable of the Terms and Conditions
- Proof that your e-raffle solution has been approved by the AGCO
- Your AGCO-approved Rules of Play are made available to all ticket purchasers
- Ticket sales open and close according to the lottery licence
- Advertising and marketing materials meet all AGCO requirements
- Draw results are confirmed
- You are not selling to minors under 18 years of age
- Raffle personnel are knowledgeable of how to direct customers to problem gambling services in Ontario at [ConnexOntario](http://ConnexOntario.ca) (the Ontario Government's help service for addictions – www.connexontario.ca)

In addition, certain types of issues or problems with your raffle have to be reported to the AGCO within 24 hours of occurring. The AGCO provides a "[notification matrix](#)" for you to use.

Reporting is required for things like:

- A suspected problem with the raffle system that could affect the integrity of the raffle
- Any suspicious behaviour or cheating at play
- Any changes to the raffle operating system or option changes, function, or price changes.

2. How to get started as a charity

In this section, you'll find the answers to these questions:

1. Who can apply for an e-raffle licence?
2. What if we already have an AGCO charitable gaming licence?
3. What if we already have a municipal charitable gaming licence?
4. How long does the AGCO application process take?
5. What documentation will you need to provide?
6. What other things will we be asked for in our application?
7. What is the charity e-raffle event manager's role?

But most importantly, make sure you do your research about e-raffles to decide whether this new form of fundraising is right for you. We suggest the following:

1. Read through this website to get a better idea of how e-raffles work .
2. Look through the AGCO documents and requirements so that you have the clearest possible picture of what's expected.
3. Talk to one or more e-raffle suppliers about your needs and plans – they'll be able to give you advice about options. If you want to use an e-raffle supplier (instead of developing your own solution, for example), you'll need to enter into a Raffle Services Agreement with one of them before commence your e-raffle.
4. Think carefully about your fundraising business plan and how e-raffles fit in. Here are some things to think about:
 - If you're thinking of a single event such as a fundraising dinner or a golf tournament (instead of an e-raffle lasting a weeks or months), traditional paper raffles tickets may still be your best option in terms of low cost and complexity.
 - The charity e-raffle event manager is a very important role. It's not complicated, but this individual will have significant responsibilities on a day-to-day basis.
 - Marketing and awareness are key success factors for online e-raffle success. Charities are responsible for their own marketing and awareness activities but can hire outside services to assist in this area.
 - If you don't have access to a large database of social media and email contacts, you may have challenges with an online e-raffle.
 - Volume/flow of traffic and having volunteers that like to sell are important parts of in-person e-raffles.

2.1 Who can apply for an e-raffle licence?

Any charity or non-profit organization in Ontario that meets the AGCO's eligibility criteria can apply for an e-raffle licence.

The AGCO website says:

Your organization may be eligible for a charitable gaming licence if it provides charitable services to Ontario residents in one or more of the following areas:

- *relieves poverty,*
- *advances education,*
- *advances religion,*
- *benefits the community,*
- *has carried out activities consistent with its charitable purpose for at least one year,*
- *is located in Ontario,*
- *is non-profit.*

Organizations that only promote the private interests of their members do not qualify for a lottery licence. This may include, but is not limited to:

- *Adult recreation or sports*
- *Individual sport teams*
- *Unions or employee groups*
- *Social clubs*
- *Professional associations*
- *Political, government, lobbying or advocacy groups*

2.2 What if we're already licensed by the AGCO?

If your organization is already licensed by the AGCO – for example, to conduct paper raffles or to sell Break Open Tickets – then you likely won't have any issues applying for a licence. The AGCO will not need to treat your application as coming from a new organization but may still require additional eligibility information.

2.3 What if we have a municipal charitable gaming licence?

If your organization holds a municipal license for raffles, bingo, or Break Open Tickets, and you are not currently licensed directly by the AGCO, you will need to apply to the AGCO as a new licensee and will need to provide all of the required eligibility documentation.

2.4 How long does the AGCO application process take?

The AGCO suggests that you plan on at least six weeks for your application to be processed.

2.5 What documentation will we need to provide?

The AGCO has an application form that you can [download here](#).

Along with the completed application form, you will need to submit the same kind of documents that your organization would have submitted for a municipal gaming licence.

Here is the AGCO's list of potential documents:

- Letters patent
- By-laws
- Constitution
- Charter
- Trust deed
- Memorandum/articles of association, signed as required
- Canada Revenue Notification of Registration Letter - If your organization is a registered charity
- Detailed outline of programs/services - What they are, how and where they are delivered to clients, specific costs, supporting materials, etc.
- Current operating budget
- Verified financial statements for the last fiscal year
- Annual updated List of Board of Directors with contact information
- Changes to governing documents and Canada Revenue status - Includes amendments, supplements, reinstatements, revocations, dissolutions, etc.

You only need to submit the documents that are relevant to your organization. If, for example, your organization does not have a Charter or Trust Deed, you are not expected to provide one.

2.6 What other things will be asked for in your application?

For your application to the AGCO you will need to have done some operational planning and be specific about things like:

- Who your charity e-raffle event manager is
- Who your e-raffle supplier is or if you are developing your own solution
- Whether you're planning an in-person or online e-raffle, or both
- How long your raffle will run
- What types of prizes you'll be offering (50/50 or fixed prize, smaller subsidiary prizes, or even merchandize prizes that have been donated – for example, by local merchants)
- Whether you have already secured a Lottery Trust Account where electronic payments and cash will be deposited.
- How the use of the e-raffle proceeds is aligned to the charitable objects and purposes of your organization

2.7 What is the charity e-raffle event manager's role?

The charity e-raffle event manager role (the "bona fide" charity member in charge of the event) is extremely important. The role isn't complicated, but this individual (or "individuals", since you may actually need more than one) has significant responsibilities on a day-to-day basis, including:

- Ensuring the e-raffle meets all regulatory requirements.
- Managing the e-raffle sales, draw, tracking and reporting software – for both in-person/hand-held and online e-raffles
- Supervising all e-raffle volunteers

- Controlling the e-raffle from a separate, secure room where they can: track sales, conduct the draw, count cash receipts, and void tickets if required (for example, if a printer runs out of paper, or the customer changes their mind)
- e-raffle security, including the responsible for the security of the process, cash counting and security, financial management, and signing-out POS devices to charity volunteers, and securely storing all raffle equipment.
- Submitting reports and dealing with AGCO inspectors

For an in-person e-raffle, the charity e-raffle event manager does not have to remain in the raffle office during the entire event and can be “on the floor” selling tickets but must ensure that the office is not accessible to the public and must monitor the event laptop periodically.

3. Working with an e-raffle supplier

In this section you'll be able to read about:

1. What suppliers do and don't do
2. How suppliers get paid
3. Where you can find a supplier

3.1 What suppliers do and don't do

Here are the key things a supplier can provide:

- Advice on how to make your e-raffle as successful as possible
- The technology (software solutions and hardware) for in-person e-raffles
- Other equipment that you might be interested in using, such as display screens that show the jackpot total and selling kiosks
- The "back office" web-based servers and applications for online e-raffles, including email addresses
- Tools to customize ticket and website graphics and messages
- The ability for you to accept electronic payment through a third-party e-payment provider
- Training for your volunteers and staff on how to use the equipment
- On-call support to deal with technical issues
- Assistance with reports

Here are some things a supplier cannot do or provide:

- Staff to sell tickets for you – either through the website or handheld units – charity staff and volunteers have to do this as part of conducting and managing the e-raffle
- Decisions about pricing, ticket configuration, duration of the e-raffle, and sales locations
- Marketing services (although your charity can contract with a separate marketing firm or service)
- Preparing and submitting reports to the AGCO
- Taking care of/securing the e-raffle equipment when you're not using it

3.2 How suppliers get paid

The AGCO requires that supplier fees be:

- Reasonable
- Directly related to the conduct and management of the e-raffle.
- Be flat in structure (not a percentage)

For in-person e-raffles, the most common way suppliers get paid is to charge a flat amount for each paper receipt or issued, regardless of how many entries that paper receipt contains. For example:

- If a customer were to purchase one entry into the draw, a single paper receipt would be issued. The supplier would get a flat fee for that paper receipt.

- If a customer were to purchase 20 entries, a single paper receipt would still be issued (listing all 20 entry numbers) and the supplier would get the same flat fee for that one paper receipt.

Online e-raffles use a similar approach – the supplier receives a flat fee for each online transaction or sale – again, regardless of how many entries the customer has purchased at one time.

Electronic payment options (credit and debit) may be provided through third-parties (e.g. financial institutions) and are typically subject to additional fees. Extra equipment such as on-site display screens or kiosk may also involve additional fees.

3.3. Where you can find a supplier

The AGCO maintains a list of registered e-affle suppliers and the solutions they have been approved to offer in Ontario <https://www.agco.ca/lottery-and-gaming/list-electronic-affle-suppliers-and-solutions>

Here in alphabetical order is contact information for the three registered companies with approved solutions so far:

Ascend 50/50

Jason Little, VP of Business Development

1 Yonge Street, Suite 700

Toronto ON M5E 1E5

647-385-6613

JLittle@ascendFS.com

Bump 50/50

Dan Tannenbaum - President

dan.tanenbaum@sportech.net

(416) 268-9399

Canadian Bank Note

Patric McKechnie

Business Development Specialist & Account Manager

pmckechn@cbno.com

(613) 722-3422 ext. 4301

4. Your Stories

Check our website periodically. We'll have stories from charities who have tried e-raffles.

5. Important Links

Here are links to very important information, including AGCO regulatory requirements and forms. Make sure you review documents 1-6 before completing your application (document 7).

AGCO Regulatory Documents

1. AGCO Lottery Licence Terms and Conditions
https://www.agco.ca/sites/default/files/4240_g_3.pdf
2. AGCO Raffle Licence Terms and Conditions
https://www.agco.ca/sites/default/files/6004a_raffle_tc_eng.pdf
3. AGCO e-raffle Operational Terms and Conditions
https://www.agco.ca/sites/default/files/6049e_eraffle_op_t_cs_2018_0.pdf
4. AGCO Registrar's Standards: Financial Management and Administration Where Proceeds Are Not Pooled
https://www.agco.ca/sites/default/files/4244e_finan_mgmt_admin_non-pooling_t_c_2.pdf
5. AGCO Raffle Application Requirements for Lottery Licences Issued by the Registrar of Alcohol and Gaming
https://www.agco.ca/sites/default/files/3103b_g.pdf
6. AGCO Checklist for a Successful Electronic Raffle
<https://www.agco.ca/lottery-and-gaming/checklist-successful-electronic-raffle>
7. AGCO general application form (same form for e-raffles and paper raffles)
https://www.agco.ca/sites/default/files/6004_raffle_app_1.pdf

6. Your Questions. Our Answers.

If we haven't already answered your question, send it to us by email to eraffles@charitablegaming.com. We'll get back to you with the answer and we'll post all questions and answers on our website.