

**AGCO**Alcohol and Gaming
Commission of Ontario

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10.7.1. Reporting Requirements

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Refer to Figure C to guide you through the financial reporting process for charitable gaming events.

Step 1: Charitable Gaming Event Report

Charitable licensees (member organizations) are responsible for event-by-event record keeping at the conclusion of each event and must provide copies of Charitable Gaming Event Reports (Event Reports) to the HCA Administrator, who coordinates monthly reports on their behalf. At minimum, the report must include:

- gross receipts and prizes from bingo,
- gross receipts and prizes from break open tickets,
- gross receipts and prizes from raffles,
- authorization fees and,
- reimbursement of out-of-pocket expenses.

Step 2: Charitable Gaming Report

Charitable licensees must also complete a monthly Charitable Gaming Report showing:

- revenues,
- expenses,
- use of proceeds and
- balance.

This report must be filed with the municipal licensing authority in order to allow for ongoing reporting relating to the use of proceeds.

Step 3: Bingo Hall Charity Association Report

The HCA Administrator compiles the individual Event Reports on behalf of the member organization into a Bingo Hall Charity Association Report. The report must be submitted, to both licensing authorities, 30 days following month-end and include the following information:

- wagering for each type of lottery
- prizes for each type of lottery

- all gaming and non-gaming revenues
- authorization fees for the month
- out-of-pocket expenses for each event
- shortage (if any) for each event
- total deposits for the period
- administrative expenses paid in the month
- HST and any other applicable taxes paid in the month
- other revenue from Operator
- amount of overall revenue paid to Operator
- list of members of HCA and their share of net proceeds for the month
- marketing fund information.
- where American currency is accepted, the date of the transfer of accumulated American funds from the American currency account to the Canadian currency account, the exchange rate and the premium or loss on the transaction (see ***“3.6.5. Lottery Trust Accounts for American Currency”***).

This report, along with the Operator Report (see item 4), must be filed with the municipal licensing authority and the Registrar.

- The municipality uses this information to monitor wagering activities and charity disbursements.
- The Registrar uses this information to ensure that the prize board has not exceeded the maximum prize board percentage prescribed by the Registrar (see ***“10.7.2. Maximum prize board”*** for further information).

Step 3.A: Provincial licence fee

The provincial licence fee is prescribed by the Registrar and is calculated as a percentage of gross wager on bingo, break open tickets and raffles. The fee must be submitted along with the Bingo Hall Charity Report on a monthly basis.

Step 4: Operator Report

The Operator Report must be completed by the Operator of the bingo hall and submitted to the HCA Administrator on a monthly basis.

The HCA Administrator uses this information to verify gross revenues from the sale of non-gaming related products (for example, concessions, dabbers, and so on). The Administrator may also obtain additional information from the Operator.

If the HCA is not satisfied with the Operator's Report on the gross revenue from the sale of non-gaming related products, the HCA may withhold the disbursement of funds from the revenue generated as a result of lottery events.

The HCA must report any conflicts or disagreements to the Registrar.

Step 5: Financial statements

The *Lottery Licence Terms and Conditions* require licensees and HCAs to prepare financial statements covering revenues from all their sources (gaming and non-gaming). The type of financial review required depends upon the licensee's gross annual revenues from all sources.

If gross revenues are under \$250,000, the financial statements must be prepared and approved by the charity's Board of Directors. If gross revenues are over \$250,000 audited financial statements are required.

If gross revenues are under \$250,000 but another statute (for example, the *Corporations Act*) requires audited statements, it must have its statements audited.

(See the Lottery Licence Terms and Conditions "Reporting Requirements", Sections 3.8 and 3.10 (a) and (b) for more information.)

The financial statements must be made available upon the request of the licensing authority along with any other information the licensing authority deems necessary.

Audit Fees

The licensee is permitted to pay the portion of the audit fee that is related to charitable gaming from gaming revenues.

10.7.1 (A) Compliance Report required

The licensee must submit a summary of compliance with the terms and conditions, applicable terms prescribed by the Registrar, the Standards and Directives prescribed by the Registrar and any additional terms and conditions imposed by the licensing authority.

See *Lottery Licence Terms and Conditions "Reporting Requirements", Section 3.8(b)*.

10.7.2. MAXIMUM PRIZE BOARD

How licensees (with the assistance of Operators) manage their prize boards is a critical component to the success of bingo. In addition to the bingo flexibility framework, the Registrar has prescribed a maximum percentage average of wagering that may be given away as prizes.

While individual games or sessions may be higher than the prescribed percentage in prizes, the overall average over each prescribed three-month period must not exceed the maximum allowable prize board.

10.7.2 (A) Prize board reporting policies

To ensure that the prize board averages are being met across the province, each HCA must file a monthly report with the Registrar showing gross wagering and prizes paid.

The HCA must establish a separate ledger for money that is "committed to" or accruing for progressive- style games so that the prize payouts are secure. In other words, there must be sufficient funds in the lottery trust account to pay out the prize money whenever the progressive prize is won.

Only prizes that have actually been won and paid-out should be reported as part of the monthly report in order to calculate the percentage prize board.

The Registrar will conduct a review of prize board averages for each quarter to take into account fluctuations due to payouts for progressive style games and also to allow for seasonal fluctuations.

10.7.2 (B) Prize board monitoring policies

The Registrar will contact licensees and Operators that are not achieving the required prize board levels to ensure that they are moving appropriately to reduce the prize payouts.

Where the licensee and Operator fail to demonstrate compliance, the Registrar may take disciplinary action, issue directives or utilize regulatory enforcement measures.

The Registrar's action will be decided on a case-by-case basis, by considering the specific circumstances of each situation.

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