

cGAMING

ELIGIBILITY AND USE OF PROCEEDS

GUIDELINES

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This document provides guidance to municipalities, charities, and not-for-profit organizations with respect to Charitable Gaming under the conduct and management of Ontario Lottery and Gaming. Permits replace licenses under cGaming. Municipal licensing officials are referenced in this document as Municipal Permitting Officials.

1. ELIGIBILITY FOR A PERMIT

1.1 INTRODUCTION

This document outlines the policies and procedures a municipal permitting official must follow to determine:

- whether an organization is eligible to receive a permit for cGaming and
- whether an organization's proposed use of cGaming proceeds is eligible

To be eligible to receive a permit for cGaming, an organization must first have charitable purposes and objects and services that fall within one of the four classifications of charity:

- a) the relief of poverty
- b) the advancement of education
- c) the advancement of religion
- d) other charitable purposes beneficial to the community, not falling under (a), (b) or (c).

An organization must also demonstrate that for a minimum of one year it has carried out charitable activities that provide a direct benefit to Ontario residents, which are consistent with their mandate.

Determining an organization's eligibility for a permit is a complex process. The guidelines set out in this chapter cannot be considered in isolation of each other. A municipal permitting official must consider all circumstances to determine which of the organization's purposes or objects and activities fall within one of the four charitable classifications. It is not sufficient to look at an organization's purposes to decide whether it qualifies as charitable: it is also necessary to look at the organization's activities.

Municipal permitting officials must determine the eligible uses of cGaming proceeds for each organization by examining the charitable classification of the organization's purposes or objects and activities.

Some organizations have objects or purposes and activities that fall within more than one of the four charitable classifications. In this case, eligible uses of cGaming proceeds may also fall within more than one of the four classifications. There may be also be situations where there is not complete clarity. These situations should be discussed with OCGA and OLG. Municipal permitting officials must make eligibility decisions on a case-by-case basis, by considering the specific circumstances of each organization.

These policies are provided to describe the principles a municipal permitting official should use to determine the eligibility of an organization's purposes or objects and activities.

Organizations must be continuously reviewed and reassessed to ensure continued eligibility. The examples used in this document reflect the current interpretation of what is eligible. It is the duty of permitting authorities to remain current.

1.2 LIMITS TO AN ORGANIZATION’S DEPENDENCY ON GAMING FUNDS

Since raising funds through gaming contains some element of risk on the part of the charitable organization, organizations may not rely exclusively on cGaming as a source of funding. The Permittee must be able to demonstrate that a minimum of 10% of their total funding is provided from other sources. The Municipality may provide groups an exemption from the 10% requirement if exclusive funding does not pose a risk to the viability of the organization (e.g. Community Organization that donates all proceeds to other groups in the community).

It is recognized that the current fundraising environment is a challenge, so municipalities should keep this in mind as they assess groups on an individual basis based on many factors including group structure / mandate, needs of the community, and the groups other fundraising ventures which may include:

- user/membership fees;
- other types of fundraising projects; and
- grants and donations (not from cGaming proceeds).

The Permitting Authority reserves the right to require additional sources of funding based on their assessment. Access to gaming opportunities may also be allotted by the permitting authority based on the budgetary requirements of the organization and an assessment of community need.

1.3 DETERMINING ELIGIBILITY FOR A PERMIT

To be eligible for a permit, an applicant must qualify either as an eligible charity (the organization’s purposes or objects are all charitable) or as a non-profit organization with charitable purposes or objects (the organization has a mixture of charitable and non-charitable purposes).

Although there are many worthwhile activities and causes, not all are considered charitable. An essential and common element in the determination of what is charitable is the provision of “public benefit.” What is considered to benefit the public does not remain constant. It changes with the changing values and needs of society and reflects the social conditions of the time.

In addition to falling within one of the four classifications above, an eligible organization must meet all of the following criteria:

- They are non-profit organizations whose purpose or objects are all charitable. Charitable organizations do not make a profit, nor do they distribute profits to their members.
- Charitable organizations provide benefits to the public or a specified segment of the public in Ontario

- Charitable organizations are restricted to carrying out activities that advance their objects, which must be exclusively charitable. Their business activities are restricted and the public benefit they provide must be of a nature recognized by the courts as charitable.
- It benefits the public at large, not a private group.
 - An organization that is established solely for the benefit of its members is not an eligible organization. It does not have a public benefit.
- It does not restrict access to its benefits.
 - Organizations may direct their charitable works towards specific segments of the community or individuals with a common need, provided that:
 - more than a few individuals benefit;
 - the charitable benefit is accessible to the public at large.
 - An organization that otherwise restricts access is not an eligible organization. Organizations that exist to provide service to individuals with a common need may provide services on an individual basis.
- Its income is not paid to or used for the personal benefit of its members, its members' relatives or anyone who is not at arm's length from the organization.
 - An organization that transfers income or assets to its members for their personal benefit is not an eligible organization.
- Projects with a charitable purpose or object are one of its main aims and normal activities.
 - An organization that does not have a mandate to provide charitable works and does not provide charitable works on a regular basis is not an eligible organization.

An organization may have purposes or objects that focus its activities towards a specific segment of the community, for example, Aboriginal persons, senior citizens or people with physical or developmental disabilities. Such organizations may be eligible if their purposes or objects and activities fall within one of the four charitable classifications. A municipal permitting official must assess the activities of the organization in order to determine if the organization is eligible and, if so, within which of the four charitable classifications it falls.

1.3.1 CLASSIFICATIONS OF CHARITABILITY

THE RELIEF OF POVERTY:

The "relief of poverty" classification includes organizations that assist the economically disadvantaged by directly providing goods, social services, programs or facilities. The financial and other assistance provided is intended to alleviate the effects of living in poverty.

Poverty must be considered in relation to current economic and social conditions. The provision of goods or services to relieve poverty is intended to ensure that individuals have a basic standard of living. Individuals do not have to be destitute in order to qualify for this assistance.

Food banks, soup kitchens and organizations that provide clothing, furniture and appliances are examples of these types of organizations.

THE ADVANCEMENT OF EDUCATION

The “advancement of education” is defined as:

- significant training or instruction;
- the development of mental faculties; or
- the improvement of a branch of human knowledge, which results in a public benefit.

Simply providing information does not meet this definition: significant training or instruction must also be offered.

To meet this definition, the instruction must be available to a wide section of the public and must not be restricted by any means. It is not necessary for an organization to provide instruction or training in a formal classroom setting, but its activities must improve human knowledge and provide a public benefit through instruction.

Teaching institutions and schools are examples of organizations that may fall within this charitable classification.

THE ADVANCEMENT OF RELIGION

The “advancement of religion” refers to:

- the promotion of a religious group’s spiritual teachings; and
- the maintenance of the doctrines and spiritual observances upon which those teachings are based.

To be eligible as a charitable organization in this classification, a group’s spiritual beliefs or faith must include an element of worship of a personal God, gods or deities. Fostering a belief in proper morals or ethics alone is not enough to qualify a group as an eligible organization in this classification.

The group’s activities must also include an element of public instruction and the promotion of spiritual teachings. Its activities must serve religious purposes for the public good. The group’s beliefs and practices cannot include anything the courts consider subversive, immoral or illegal.

Places of worship, such as churches, mosques, temples and religious congregations, are examples of these types of organizations.

OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY

This is the broadest classification and the most difficult to consider. An organization with a charitable purpose that does not fall under one of the first three classifications may be eligible in this classification. The organization’s activities must provide a public, not private, benefit.

The phrase “other charitable purposes beneficial to the community” has been interpreted to include activities that benefit the whole community, without discrimination, so that the purposes have a truly public character. This may include:

- the promotion of arts and cultural activities;

- cultural, ethnic, native, historic or heritage pursuits;
- the improvement of the quality of health through medical research;
- treatment programs and preventative programs;
- youth sporting activities; and
- community projects undertaken by service organizations.

1.3.2 SUB-GROUPS OF ELIGIBLE ORGANIZATIONS

If a municipal permitting official receives an application from an organization that appears to be a sub-group, “partner” or auxiliary of another eligible organization, the official must ask the following questions in order to determine the status of the two organizations:

- Are the organizations separate legal entities? For example, if the parent organization dissolves, will the sub-group still exist?
- Do the organizations have different Boards of Directors?
- Do the organizations have independent budgets, banking procedures and funding?
- Do the organizations have differing mandates or purposes?
- Does one of the organizations have overall control, or influence, on the decisions of the other organization?

If the comparison shows that the two organizations exist for the same purposes, the parent group may be permitted if it is an eligible organization. The sub-group, “partner” or auxiliary may only be permitted where the parent group chooses not to participate in cGaming (conduct lottery events) and permits the sub-group, “partner” or auxiliary group to hold permits on its behalf.

FOUNDATIONS AND AUXILIARIES

Foundations may be permitted providing they are administratively, financially and legally separate entities. This includes hospital foundations, auxiliaries, and granting foundations.

1.3.3 ORGANIZATIONS THAT AMALGAMATE

TWO OR MORE ELIGIBLE ORGANIZATIONS

If two or more eligible organizations amalgamate, the resulting entity must be treated as one organization for permitting purposes. For example, if two community service organizations that each have a cGaming permit, the new organization may have only one permit. When two or more eligible organizations amalgamate, permitting officials must complete a full eligibility review.

Eligible organizations that amalgamate must disburse the funds in their designated cGaming trust accounts for the purposes approved by the permit. The funds may be disbursed after amalgamation. If the funds are not disbursed before amalgamation, the permitting authority must approve the disbursement of funds.

AN ELIGIBLE ORGANIZATION AND AN INELIGIBLE ORGANIZATION

When an eligible organization amalgamates with an ineligible organization, the new organization may or may not be eligible for a permit. Municipal permitting officials must complete an eligibility review before issuing any new permits.

An eligible organization that amalgamates with an ineligible organization must disburse the funds in its designated cGaming trust account before amalgamation, for the purposes approved on the permit. The permittee must notify the permitting authority of the disbursement.

Prior to the disbursement of funds, the permitting authority must approve any request to hold cGaming proceeds in a designated cGaming trust account past the date of amalgamation and must also give prior approval of any final disbursement that occurs after amalgamation.

PROVINCIAL/NATIONAL GROUPS

An increasing number of provincial charitable organizations continue to either centralize operations, amalgamate locations or restructure to become national organizations with provincial branches and local community teams. E.g. MS Society, Heart & Stroke, Arthritis Society. The Boards of these organizations may reside outside of Ontario because of these transformational changes. These organizations are eligible for permits in multiple communities across Ontario if they are providing benefit to the local community or residents of Ontario

Proceeds generated from cGaming must be maintained in the required local designated business account and may only be used for approved use of proceeds on the Permit.

1.3.4 INELIGIBLE ORGANIZATIONS

Organizations ineligible for cGaming permits include:

- professional associations, unions and employee groups, except those set up to carry out charitable activities;
- elected representative groups including municipal, regional, provincial and federal governments;
- government agencies or bodies;
- political lobby groups and those attempting to persuade the public to adopt a particular view on a political issue;
- advocacy, self-help and other groups solely dedicated to the political, personal and financial advancement of their members;
 - However, if direct services which fall into one of the four charitable are provided, advocacy or case management intended to represent an individual/s and secure appropriate charitable services for that individual/s may be considered an eligible charitable purpose.
- political parties;
- adult hobby groups;
- for-profit, members-only or private sports clubs and for-profit adult sports teams and leagues;

- those promoting a political doctrine;
- those attempting to bring about or oppose changes in the law or government policy;
- municipal councils, municipal corporations and their administrative departments; and

The above list is not intended to be exhaustive. Every organization must be reviewed, based on the documents provided, since all organizations are unique.

GOVERNMENTS

Governments are political bodies established for administrative purposes. Their primary mandate is to govern, which is not a charitable object. Services provided by governments may provide a public benefit and, if provided by a charitable organization, may be considered a charitable activity. However, a government is not a charitable organization and is not eligible for a permit.

When reviewing organizations that are associated with governments, municipal permitting officials must determine the extent to which the organization is:

- separate legally, administratively and financially from the government; and
- controlled by the government.

For example, conservation authorities established under the Conservation Authorities Act are not separate legally, administratively and financially from the government. Therefore, typically these types of organizations are not eligible for cGaming permits.

MUNICIPALITIES

A permitting authority may not issue a permit to a municipality or one of its administrative departments. Municipalities derive their powers from the *Municipal Act* or, in some cases, a constituting act. As entities established primarily for local administration, they are not given the power to carry out charitable objects or to conduct lottery schemes. Therefore, municipalities and their operating committees or agencies do not meet the definition of a charitable organization.

When reviewing organizations associated with a municipality, a municipal permitting official must determine the extent to which the organization is controlled by the municipality and whether the organization is separate legally, administratively and financially from the municipality.

PUBLIC LIBRARIES

Public libraries constituted under the *Public Libraries Act* are not separate financially and administratively from the municipality. Therefore, boards of public libraries established under the *Public Libraries Act* are not eligible for permits.

MUNICIPAL HOMES FOR THE AGED

Many municipalities operate homes for the aged under the *Homes for the Aged and Rest Homes Act*. As municipalities are not charitable organizations, they may not benefit from cGaming proceeds. Therefore, the permitting authority may not issue permits to homes for the aged.

OTHER AGENCIES FUNDED BY GOVERNMENT

Many agencies operate under legislation and receive government funding. To determine the eligibility of these organizations, a municipal permitting official must review the legislation that sets out the organization's mandate and its relationship to government. Whether the organization is separate legally, administratively and financially from government and the degree of control exercised by government over the organization will determine whether the organization is eligible for a permit. For example, organizations such as Children Mental Health centres may receive government funding but would be eligible as they are controlled by a separate Board of Directors.

1.4 NEXT STEPS: EVALUATION PROCESS

ELIGIBILITY

This section provides an overview of the process to determine whether or not an organization is to participate in cGaming, and whether or not its proposed use of proceeds is eligible.

STEP 1: Determine the eligibility of the organization

- a) Is the organization eligible for cGaming according to the criteria set out above? If not, stop here.
- b) Do the applicant organization's purposes, objects and activities fall within at least one of the four charitable classifications? If so, which one:
 - I. the relief of poverty
 - II. the advancement of education
 - III. the advancement of religion
 - IV. other charitable purposes beneficial to the community, not falling under i), ii) or iii).

If the organization's purposes and objects are eligible, continue to Step 2. If not, the organization is ineligible for a permit.

STEP 2: Determine the eligibility of the proposed use of proceeds

To evaluate the use of proceeds, ask the following questions:

- Are the proposed uses of proceeds consistent with:
 - the organization's purposes and objects, and
 - the eligible uses of proceeds for the class and type of organization?
- Are the proposed uses of proceeds related to the direct delivery of programs and services to the eligible beneficiaries?

If the answer to both questions is "Yes," the applicant's cGaming permit application and some or all of its proposed uses of proceeds may be eligible for a cGaming permit.

EVALUATION OF THE ORGANIZATION

To be eligible for a cGaming permit, an applicant must have an established organizational structure. The applicant must be a structured entity and must have a formal document that establishes the organization. However, incorporation, whether provincial or federal, is neither a prerequisite nor a guarantee that a permit will be issued. No one may use cGaming proceeds to start up an organization.

In order to be eligible, an organization must:

- have been in existence for at least one year;
- have provided charitable community services consistent with the primary objects and purposes of the organization for at least one year;
-
- demonstrate that it is established to provide charitable services in Ontario;
- propose to use proceeds for charitable purposes or objects that benefit Ontario and its residents; and
- assume full responsibility for the fulfillment of its cGaming obligations and adherence to the (OCGA) Policies and Standards for cGaming.

When an organization first applies for a cGaming permit, or whenever an eligibility review is required, it must provide all of the following information and documents that apply to it:

- a copy of its letters patent;
- a copy of its constitution and bylaws;
- a copy of its budget for the current year;
- a copy of its financial statements for the preceding year;
- a list of its Board of Directors;
- its latest report to the Public Guardian and Trustee;
- its charitable number for income tax purposes;
- a copy of its Notification of Charitable Registration letter from the Canada Revenue Agency with any supporting documentation, indicating the applicant's status and terms of registration;
- copies of its charitable returns to the Canada Revenue Agency for the previous calendar year;

- a detailed description of its activities; and
- a copy of its annual report.

The organization must also provide any other information that will assist the municipal permitting official to determine the charitable nature of its purposes, objects and activities.

After the review has been completed, the municipal permitting officer may require additional information to process the application. The organization must provide any information that is requested.

If any changes are made to the documents submitted, the organization must provide the permitting authority with the amended documents as soon as they are available.

Because organizations change, an organization that is considered eligible for a cGaming permit must continue to provide the permitting authority with any amended documents as soon as they are available.

Organizations that receive cGaming permits will be subject to periodic eligibility reviews.

EVALUATING THE USE OF PROCEEDS

In order to determine eligible uses of proceeds, the organization must set out in detail its proposed uses of proceeds and for which programs the proceeds will be applied. The organization's proposed use of proceeds must be for charitable programs and the programs must be consistent with the charitable purposes and objects of the organization. These purposes and objects must be of a charitable nature and fall within at least one of the four listed charitable classifications.

In addition, the following guidelines may be used to evaluate and determine eligible uses of proceeds:

- A copy of the most recent financial statements should show through past expenditures that contributions to support the charitable objectives of the organization have been made and that the organization is carrying out its charitable objects.
- The current operating budget should itemize each of the projected revenues and expenditures of the organization. The organization's proposed use of should coincide with the line items in their current operating budget. As well, the operating budget should demonstrate a need for the cGaming proceeds.
- The use of cGaming proceeds should be restricted to expenditures which are related directly to the delivery of the charitable programs provided by the organization. In other words, cGaming proceeds must not be used for programs that are not part of the organization's charitable objects and purposes identified in the constituting documents.
- In limited cases, certain administrative expenses related to the direct delivery of an eligible organization's charitable objects may be considered eligible uses of proceeds. These costs must be essential to the direct delivery of the charitable services and must be approved by the permitting authority on a case-by-case basis.

The lists of eligible uses are not intended to be exhaustive. A permitting authority may approve other proposed uses, depending upon the specific mandate of the organization. Any eligible organization,

regardless of its charitable classification, may be approved for other uses of proceeds, provided that those uses are:

- charitable and advance the charitable purposes or objects of the organization;
- required for the direct delivery of the charitable purposes or objects of the organization; and
- directed toward a large portion of the community or residents of Ontario with a common need.

When an application is approved, the application for the permit forms part of the permit itself. If the permitting authority does not approve all the requested uses of proceeds, the approved uses of proceeds and any restrictions must be specified on the permit when it is issued. Permittees wishing to use proceeds for any purpose not requested on their original application must request a permit amendment and receive approval before using the proceeds for those purposes.

ELIGIBILITY QUESTIONNAIRE

The municipal permitting official must assess the applicant's eligibility by asking the following questions. If the answer to any of these questions is "no," the organization is ineligible.

1. Does the organization's purpose fall within one of the four classifications of charitable objects?
2. If yes, which one:
 - a. the relief of poverty;
 - b. the advancement of education;
 - c. the advancement of religion;
 - d. other charitable purposes beneficial to the community, not falling under (a), (b) or (c);
3. Does the organization have a place of business in Ontario?
4. Has the applicant been in operation for at least one year and does it have a proven charitable mandate that it has carried out throughout the year?
5. Is the organization established to provide charitable services in Ontario and use proceeds for purposes or objects that benefit only Ontario residents? If not, has the organization requested a use of proceeds that is restricted to meet these requirements?
6. Is the applicant properly organized so that it is separate organizationally, legally and financially from any other organization?
7. Are the proposed uses of proceeds eligible?
8. Is the intended use a direct delivery of services that is consistent with the charitable classification and the governing documents of the organization?
9. Are the proposed charitable benefits open to all segments of the community? Or, if the charitable benefits are directed to a specified group of the public, are the benefits open to all segments of that group?

CONSTITUTING DOCUMENTS

Every applicant organization must have a document that establishes the organization, setting out the members' common purpose and detailing how the organization will operate in order to achieve that purpose to be eligible for participation in cGaming.

Registered charities and Incorporated Non-profits

Registered charities and incorporated non-profits are governed by the acts and regulations under which they are incorporated and include Letters Patent and By-Laws. Incorporation documents must be submitted to the municipality and *no changes or additional elements* are required for eligibility.

Unincorporated Non-profits

Unincorporated non-profits must have a constituting document that includes the following:

- the organization's name and purpose or objects.
- a description of the organization's current structure (e.g., president or chair, secretary, treasurer) and how it elects its directors.
- a description of how an individual becomes a member of the organization.
- a clause stating that the organization's members will not derive any gain from the organization and that any profits will be used solely to promote the organization's objectives.
- the signature of the officers who adopted the constituting documents – with the date.

2. APPROVING ELIGIBLE USE OF PROCEEDS

2.1 INTRODUCTION

Once a municipal permitting official has decided an applicant is eligible to receive a permit, the municipal permitting official must examine the intended use of cGaming proceeds listed on the permit.

In order to determine the eligibility of the proposed use of proceeds, a municipal permitting official must review the organization's programs and services.

An eligible organization's charitable purposes and objects must fall within one of four classifications. The eligible uses of proceeds will vary by classification and by eligible organization. As such when determining what is considered an eligible use of proceeds for an eligible organization, the following factors must be taken into consideration:

- under which of the four classifications the objects and purposes of the organization fall;
- the mandate of the organization;
- the type of organization; and
- the organization's structure.

Eligible uses of proceeds must be:

- in themselves charitable and advance the charitable purposes or objects of the organization;

- used for the direct delivery of the charitable purposes or objects of the organization; and
- directed toward specific segments of the Ontario community or residents of Ontario with a common need.

A municipal permitting official must determine the eligible uses of proceeds on a case-by-case basis. To determine which of the organization's ongoing costs are eligible, the municipal permitting official should review the proposed expenditure against the organization's stated mandate. Only those costs that support the delivery of its eligible programs should be approved as eligible uses of cGaming proceeds.

In addition to using cGaming proceeds for the direct delivery of its eligible programs, an organization may also use cGaming proceeds to pay some of the administrative expenses of those programs. To be considered an eligible use of cGaming proceeds, these expenses must be essential for the direct delivery of the organization's charitable objects. The permitting authority must give prior approval to requests to use cGaming proceeds for administrative expenses on a case-by-case basis.

The municipal permitting official may limit the use of proceeds to only those expenses that relate to the direct delivery of programs.

The permitting authority must monitor the use of cGaming proceeds to ensure they are used as approved on the permit, for expenses related to the direct delivery of the eligible charitable services, for the benefit of Ontario residents.

2.2 USES IN ONTARIO

All proceeds raised from permits must be used for a charitable purpose or object that directly benefits the residents of Ontario. The funds do not necessarily have to be spent in Ontario, but an Ontario resident or community must benefit. This policy applies regardless of the beneficiary's status as a citizen of Canada. For example, refugees living in Ontario may be beneficiaries of programs set up for the relief of poverty in Ontario. However, cGaming proceeds *cannot be used to bring non-residents to Ontario* to then benefit from cGaming proceeds. Also, proceeds must be used to generate a charitable, not an economic, benefit.

When issuing permits, the permitting authority may give priority to groups providing service within the municipal boundaries or geographic area but use of proceeds is not limited to these boundaries. It is the Permitting Authority's discretion to determine the priorities and needs of their community.

The following examples are eligible uses of cGaming proceeds spent out-of-province to benefit a project or resident of Ontario:

- paying out-of-province medical expenses for an Ontario resident if the treatment is not available in the province, where the costs are not fully funded by the provincial government;
- buying medical equipment for an Ontario hospital from an out-of-province supplier; and
- paying the cost of an out-of-province educational opportunity for Ontario students enrolled in an accredited educational institution.

The following list provides some examples of projects that do not qualify:

- disaster relief provided to communities outside of Ontario;

- medical supplies for developing countries;
- foster child programs for children outside of Ontario;
- environmental projects outside of Ontario; and
- funding for foreign exchange students.

Although many of these activities are worthwhile projects, they provide a direct benefit to individuals outside Ontario.

2.3 DETERMINING ELIGIBLE USE OF PROCEEDS

2.3.1 GENERAL USE OF PROCEEDS

These general use of proceeds policies *are applicable to all four classifications* of charitable organizations, subject to their objects and purposes.

DONATING

The donating organization must obtain a letter from the recipient organization which specifies how and when the funds will be used. This letter must be signed by an authorized signing authority and given to the municipality along with confirmation of the donation. This documentation is necessary to confirm to the municipality that the cGaming proceeds are used only for charitable purposes.

It is acceptable for the recipient organization, at their discretion, to provide nominal recognition such as a verbal acknowledgement in public events or a print acknowledgment of the donation. This is not considered a benefit to the donating organization but rather a sign of appreciation.

DONATING TO OTHER ELIGIBLE ORGANIZATIONS

Eligible charitable organizations requesting approval to donate cGaming proceeds to other eligible organizations must demonstrate that:

- their own charitable purposes or objects permit them to donate funds;
- the charitable organization has a proven track record of carrying out this activity;
- they have a separate Board of Directors;
- they have budgets and banking procedures independent of the recipient organization;
- are independent and have overall control over decision-making;
- the recipient organization would be eligible for participation in cGaming;
- the recipient organization will use the proceeds for an eligible use that is consistent with its charitable purposes or objects.

DONATING TO OTHER ORGANIZATIONS

Charitable organizations may also in certain circumstances donate cGaming proceeds towards goods or services for use by organizations that in themselves may not be considered charitable in nature, including those that are dependent upon municipal government. Some municipalities have by-laws in place that restrict the use of cGaming proceeds for municipally related facilities and services. If approval is to be given:

- the goods or services are not core goods or services historically provided by the recipient organization;
- there is no obligation for the recipient organization to provide the goods and services; and
- an agreement to protect the cGaming proceeds is in place, prior to the transfer of funds.

An example of an eligible charitable organization donating cGaming proceeds towards goods or services for use by another organization that in itself may not be considered charitable in nature:

- A service club such as a Rotary Club raises funds for the inclusion of a public computer workstation for a public library established by a municipality. Raising funds for the inclusion of a computer may constitute a charitable use of funds by the Rotary Club provided it can be shown that the proposed use is over and above the basic services that would normally be provided by the library.

An example of an ineligible use of proceeds:

- A service club wishes to donate cGaming proceeds to purchase jackets for a men's baseball league.

DONATIONS FOR CAPITAL EXPENDITURES

An eligible charitable organization may purchase or donate funds towards the purchase of a non-core item for another organization. The recipient organization must use the item for a purpose that provides a public, not a private benefit.

Prior to the purchase, the donating and recipient organizations must enter into a trust agreement outlining their respective responsibilities. The agreement must include the following information:

- *who will hold title to the item;*
- *who maintains the item;*
- *the current value of the item;*
- *the item's lifespan and residual value over a period of time;*
- *who insures the item;*
- *who decides on disposal of the item;*
- *what happens to the item's residual value.*

This agreement is necessary to ensure:

- *that the cGaming proceeds are used only for charitable purposes; and*
- *that the residual value of an item is used to support only those initiatives that have also been approved as eligible.*

An example of an eligible use of proceeds when a charitable organization donates funds towards a capital expenditure:

- A service club raises cGaming proceeds towards the purchase of a van for a publicly owned long term care hospital to transport patients. The purchase of the van may be an eligible use of proceeds

provided the receiving organization can confirm that the purchase of the van is over and above the services that the long-term care hospital would normally provide.

DIRECT EXPENSES VS. INDIRECT EXPENSES

Eligible organizations must provide very detailed information concerning their proposed use of cGaming proceeds. Because many organizations do not have wholly charitable purposes or objects, it is sometimes difficult to determine whether a proposed use of proceeds can be considered a charitable purpose. In broad terms, proceeds may be used to offset the expenses that are integral to the charitable functions of the organization. These are known as “direct expenses.” A direct expense includes any expense that directly helps to fulfil the organization’s charitable mandate.

Organizations have costs that may be classified as direct or indirect expenses. A curling club that runs a youth program as a charitable function, in addition to its adult program, has costs that may be considered as direct or indirect depending on the program for which they are incurred. The cost of ice time necessary to deliver the youth program is eligible as a direct expense if it can be isolated from the cost for the adult program. If the cost of the ice time required for the youth program cannot be determined and isolated, it is not an eligible use of cGaming proceeds.

Indirect expenses include the group’s general operating costs such as salaries, administration, rent, or utility expenses such as heat and hydro. Indirect expenses are not generally considered essential for the delivery of the charitable purpose and therefore may not be eligible uses of proceeds.

The permitting authority may approve these expenses if the applicant meets all the following requirements:

- The need for the expense is justified as an integral part of a program or service that meets the group’s eligible charitable objects and purposes
- Salaries, wages, and related expenses may be approved if the position requires professional expertise and supports or is required for direct program delivery

Indirect expenses include the group’s general operating costs such as salaries, administration, rent, or utility expenses such as heat and hydro. Indirect expenses are not generally considered essential for the delivery of the charitable purpose and therefore may not be eligible uses of proceeds.

The permitting authority may approve these expenses if the applicant meets all of the following requirements:

- The need for the expense is justified as an integral part of the eligible charitable purposes or objects and activities.
- Salaries and wages may only be approved if the expertise level and time required cannot reasonably be provided by a volunteer.
- Salaries and wages must be reasonable and geared to the expertise and hours needed to do the work.

VOLUNTEER/STAFF TRAINING

Volunteer and/or staff training may be an eligible use of cGaming proceeds. Generally, cGaming proceeds may not be used to pay expenses associated with attending, organizing or running conferences or workshops. However, in certain circumstances conferences or workshops may constitute a charitable purpose.

In order to use cGaming funds to attend, organize or run a training session, the organization must demonstrate that the training provides a significant charitable and community benefit related to an educational program. The following types of training or workshops may qualify:

- programs or workshops that directly provide education for youth, such as:
 - summer French programs; and
 - youth leadership courses;
- conferences or workshops that train volunteers to fulfil an organization’s charitable mandate, for example:
 - training volunteers for Big Brothers, halfway houses and to be counselors at rape crisis centres; or
 - training volunteers for community safety programs.

If the conference or workshop is only for personal development or if it only benefits the membership of the organization, it does not constitute community benefit and cannot be funded with cGaming proceeds.

The following types of conferences and training are examples that do not qualify as a charitable use of cGaming proceeds:

- professional development or upgrading for nurses, teachers, lawyers, doctors and other professionals;
- the payment of tuition fees for a volunteer or staff member of the organization to attend a college, university or any other educational institution;
- membership conferences for service clubs, the Royal Canadian Legion, and arts and cultural groups; and
- membership fees for the organization, its volunteers or staff in professional or recreational associations.

The permitting authority must determine whether or not the conference or training constitutes a charitable purpose. The following questions will assist in that determination:

- Is the conference/workshop/training directly related to the charitable mandate of the organization?
- Is the conference/workshop/training on the list of uses that do not qualify as outlined in “Ineligible Uses of Proceeds”?
- Will the conference/workshop/ training result in a personal or a public benefit?
- What is the charitable benefit the community would gain through the conference/workshop/training?

Unless the answers to the above questions clearly indicate that a public charitable benefit will result, the permitting authority must not grant the organization permission to use cGaming proceeds for the conference, workshop or training expenses.

RESEARCH

An eligible charitable organization that conducts research as an integral part of its charitable mandate may apply for a permit to fund the direct costs of that research. Research may be funded through cGaming proceeds if it advances human knowledge and if the resulting advances provide a public benefit either through instruction (“the advancement of education”) or by improving the health and well-being

of the residents of Ontario (“other charitable purposes beneficial to the community: health and welfare”).

The permitting authority may grant approval on a case-by-case basis, under the following conditions:

- the applicant is an eligible charitable organization conducting the research as part of its charitable mandate;
- or the applicant is an eligible charitable organization that will donate the cGaming proceeds to an eligible charitable organization conducting the research as part of its charitable mandate.

TRAVEL COSTS

The cost of travel for staff, volunteers and individuals benefiting from the charitable activities of the organization may be an eligible use of proceeds. These costs must directly benefit residents of Ontario and must be considered integral to the organization’s eligible charitable purposes or objects and activities.

The following examples are eligible uses of cGaming proceeds for travel costs:

- renting a bus to transport an amateur youth sports team to a sanctioned tournament;
- paying for hotel accommodation for a group of students on a school trip which supplements and relates to the academic program.

In some cases, organizations may request approval to pay out-of-province travel costs. The organization must demonstrate that a direct benefit will be provided to the public of Ontario. If the travel provides only a private benefit, the travel costs are not eligible. A permitting official must determine the type of benefit provided on the basis of the organization’s charitable purpose or object and activity.

A municipal permitting official must consider requests for approval to pay out-of-province travel costs with cGaming proceeds on a case-by-case basis. For example, out-of-province travel to advance education, particularly for youth, is eligible.

On the other hand, out-of-province travel is not an eligible use of cGaming proceeds for an arts or cultural organization. Arts and cultural organizations must provide a benefit directed towards the broader public of Ontario, not the individual members of the performing organization. When the performance is outside Ontario, the audience is not made up of Ontario residents. Therefore, the benefit of the travel is considered a private benefit directed to the individual performers. This also applies to school bands travelling out-of-province for the sole purpose of performing while travelling.

SENIOR CITIZENS PROGRAMS

Support to “the aged” (senior citizens) through programs that improve physical and mental health may be considered charitable in nature.

These types of programs may fall under the eligible charitable category of Relief of Poverty or Other Purposes Beneficial to the Community depending upon the activity. For example, programs that provide

relief from loneliness and isolation of the aged and improve their mobility and fitness may be eligible under Other Purposes Beneficial to the Community: Health and Welfare. A non-profit organization that is established to operate and maintain a senior citizens centre or seniors social club to provide recreation, cultural activities and other programs for senior citizens may also be eligible for permitting.

The permitting authority may grant approval on a case-by-case basis, under the following conditions:

A senior citizen group is one in which the majority of its members is 60 years of age or older.

- The applicant is an eligible charitable organization that provides social and recreation programs to seniors, so they remain active in the community.
- Eligible senior programs must be available to all seniors in the community who wish to participate.
- The benefit must not be restricted to an exclusive group.
- Maintenance costs including utilities, property taxes, liability insurance, cleaning and maintenance of senior citizen centre buildings may be eligible uses of proceeds if they are reasonable and necessary expenses in carrying out the charitable programs and services.

BUILDING FUNDS

ELIGIBILITY CRITERIA

The permitting authority may approve an eligible organization to use a predetermined maximum amount of cGaming proceeds for the capital costs of construction, repair or the leasehold improvement of real property including land and buildings, if:

- the property is owned by the eligible organization or is leased on a long-term basis from a nonprofit organization; and
- the organization can show that a public benefit will result.

The following types of construction or renovation may qualify:

- the construction of a new wing for a public hospital;
- the construction or renovation of a church;
- the renovation of part of a building owned by a service club, that the club makes available to charitable organizations free of charge; and
- the construction of a community centre, available to all local residents for activities beyond the municipality's mandate, provided that the building is not owned and operated by the municipality

APPROVAL PROCESS

The permitting authority may approve a building fund under the following conditions:

- The operation of the building is required for the direct delivery of the charitable purposes or objects of the organization.
- The building provides a public charitable benefit to the community or is available free of charge to other non-profit organizations within the community and used for their approved charitable purposes.

- The organization must obtain prior approval from the permitting authority before accumulating cGaming proceeds in a building fund.
- The permitting authority must add special terms and conditions to ensure protection of the building fund.
- If the organization does not own the building, it may still be eligible to set up a building fund if it has a valid long-term lease in a building owned by a non-profit organization.

Where the building is not used solely for eligible purposes, the maximum amount of cGaming proceeds approved for the building fund must be established in advance by the municipality and can be proportional to the percentage of time the building is used to provide a public charitable benefit. If the applicant organization wishes to use cGaming proceeds for the renovation or construction of a building, it must submit the following information to the permitting authority for review prior to, or with the permit application:

- an explanation of the capital expenditure, a written estimate of the amount needed for the building fund, and the amount of net cGaming proceeds to be used
- a budget of the proposed project, including an itemized description of all individual costs;
- the total cost to be incurred;
- a budget for the organization, listing all expenses and all income for the appropriate fiscal year;
- architectural plans (where applicable), especially for new facilities or extensive renovations;
- an explanation of how the use of cGaming proceeds for the building fund will affect the organization's service delivery and why the operation of the building is required for the direct delivery of its charitable objects or purposes;
- proof of ownership or a copy of the lease and documentation regarding the non-profit organization that owns the building;
- a plan of how the assets will be disbursed in case of the organization's dissolution;
- copies of written estimates, including labour and material costs for the project;
- details of the main uses of the proposed building or renovation project and an explanation of other uses for the facility; and
- other sources of funding available for the project.

All of these criteria will not be relevant in all cases. The municipality will base its decision on whether the building/facility will be of benefit to the community or a charitable group, and what happens to the proceeds if the building/facility is sold.

Please note that general maintenance costs are not eligible as part of a building fund.

The municipality may set a maximum of cGaming proceeds that may be allocated to the building fund, once approval has been given for the fund. The permitting authority must approve a specific amount of proceeds and must specify the period of time over which funds may accumulate in the building fund. The period of time will be limited and reasonable, approved by the municipality and must not exceed two years without further approval.

REPORTING REQUIREMENTS

The eligible organization must:

- submit regular financial reports, as required by the permit;
- obtain prior approval from the permitting authority before selling or mortgaging any property acquired or renovated through a building fund made up of cGaming proceeds; and
- prepare a document outlining the value of the cGaming proceeds applied to the building fund.

SELLING PROPERTY PURCHASED WITH A BUILDING FUND

The organization must obtain prior approval from the permitting authority in order to sell or mortgage any property acquired or renovated through a building fund made up of cGaming proceeds. The organization must also prepare a document outlining the value of the cGaming proceeds applied to the building fund and obtain prior approval on how the proceeds will be distributed upon the sale.

When the property is sold, the organization must calculate the value of the cGaming funds contributed to the building fund and must direct that amount of money to other eligible charitable organizations in the community.

AMENDMENTS TO APPROVED USED OF PROCEEDS

An organization may not use cGaming proceeds for any purpose that was not approved on the original permit application, unless it obtains prior written authorization from the permitting authority.

To obtain an amendment to its proposed use of proceeds, an organization must follow the procedures and policies outlined below.

- The organization must submit a written request to the applicable permitting authority setting out the reasons for the requested amendment.
- The organization must present a detailed outline of its intended purposes for the requested use of proceeds.

The permitting authority has the right to refuse to amend the approved uses of proceeds. The permitting authority must respond in writing to amendment requests regardless of whether it is approving or refusing the request.

ACCUMULATING CGAMING PROCEEDS

In general, cGaming proceeds cannot be accumulated. They are intended to provide a public benefit and must be used in a timely manner. However, with the prior approval of the permitting authority, an eligible organization may accumulate cGaming proceeds, subject to conditions imposed by the permitting authority. Additionally, the municipality may also allow a reasonable amount of funds be held for 'cash flow' or unforeseen circumstances.

To ensure compliance with cGaming policies, the permitting authority must monitor the use of revenues and the level of funds in the cGaming trust account(s).

When an organization wishes to accumulate cGaming proceeds it must apply to the permitting authority and demonstrate that:

- The charitable activities of the organization justify the accumulation of funds. For example, certain activities are seasonal, and an organization may be required to accumulate funds when the activity, such as the operation of a youth hockey association, does not take place.
- If the funds are transferred out of the cGaming trust account(s) while accumulating, they will be placed only in instruments that are insured by the Canada Deposit Insurance Corporation (CDIC). All principal and interest earned on the investment will be returned to the cGaming trust account(s) and used for the permittee's approved charitable purposes. These investments will not exceed the maximum insured by the CDIC. The permittee will maintain a careful audit trail.

Revenue generated may only be used for purposes approved by the permitting authority.

GIFT CARDS

The permitting authority, at their discretion, may approve the use of gift cards by an organization on a case by case basis under the following conditions:

- The gift cards are being used for purposes that meet the mandate of the organization to meet the needs of their clients
- The gift cards are to be used for essential needs such as groceries, clothing, etc. Alcohol, tobacco and cashback are not permitted at any time.
- The permitting authority has the right to ask for receipts, if necessary, to prove the gift cards are being used for approved usage.
- The permitting authority may impose restrictions on the number of gift cards and their value. Gift cards are meant to be small part of a charity's spending, if permitted to do so.
- The permitting authority is satisfied the gift cards are being held in a secure area.
- Prepaid debit or credit cards are not considered gift cards and are not acceptable for these purposes.

3. ELIGIBILITY AND USE OF PROCEEDS BY CLASSIFICATION

3.1 THE RELIEF OF POVERTY

ELIGIBILITY GUIDELINES

To be eligible in this classification, a charitable organization must meet all of the basic eligibility criteria set out in this chapter and must demonstrate that its programs and services assist those who are:

- in financial need;
- distressed or suffering as a result of their financial circumstances; or
- experiencing economic disadvantage.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this classification include: street patrols who work directly with homeless people;

- food banks;
- shelters for the homeless and economically disadvantaged; and
- meal programs.

With prior approval from the permitting authority, a charitable organization may use cGaming proceeds to set up a fund to assist those in financial need. The fund must provide assistance to address a common need and must be available to anyone in the community who has that need. Approved uses of the fund may include the provision of short-term relief or a one-time payment to relieve an exceptional condition or circumstance (e.g., floods that result in devastation to an Ontario community). More than one charitable organization may contribute to the fund, provided it falls within the charitable organization's mandate. Payments must be made directly to the service provider/retailer.

ELIGIBLE USES OF CGAMING PROCEEDS

The permitting authority may approve eligible organizations in this classification to use cGaming proceeds for the direct delivery of services for:

- temporary shelter or subsidized rental accommodation;
- food, supplies and clothing;
- client life skills training, instruction and support intended to alleviate the effect of living in poverty;
- transportation costs for clients to attend programs or access services/resources;
- non-profit daycare services, where the funds are used:
 - for programs not historically funded, and
 - for the purpose of allowing access to those persons who could not otherwise afford the service (the organization must have criteria in place to determine eligibility); and
- out-of-pocket expenses for staff and volunteers, including travel costs, for the direct delivery of charitable services to the clients, where receipts are provided (for example, where staff or volunteers are required to use their own vehicle to deliver the service).

3.2 THE ADVANCEMENT OF EDUCATION

ELIGIBILITY GUIDELINES

To be eligible in this classification, an organization must meet all the basic eligibility criteria and restrictions on uses of proceeds set out in this chapter. Proceeds cannot be used to fund core programs or services. They must demonstrate that its programs and services:

- provide significant scholastic or vocational training or instruction;
- develop intellectual capacity or teach necessary life skills; or
- engage in research that improves human knowledge and disseminate that knowledge to the public.

Normally, the training or instruction provided will lead to a recognized degree, diploma or certificate.

Eligible charitable organizations must demonstrate that:

- cGaming proceeds are used to enhance the educational and extracurricular opportunities of a broad cross-section of students, over and above statutory requirements established and funded by the Province;
- programs and services do not simply promote a particular point of view; and
- programs and services confer a significant public educational benefit, not a private benefit.

Education for the professional development of a person or group (such as training courses for teachers, lawyers and nurses) is not an acceptable use of funds in this classification.

An organization that provides a program or curriculum that is contrary to the laws of Ontario or Canada or international law is not eligible for a permit.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this classification include:

- public and Roman Catholic schools (elementary and secondary) that are recognized and/or accredited by the Ministry of Education and lead to a secondary school graduation diploma;
- monastic and other religious schools and private schools that are registered with the Canada Revenue Agency as charitable organizations, and provide programs that are accredited by an appropriate government agency;
- colleges, universities and schools of the arts whose programs lead to a recognized certificate or degree;
- scholarship or bursary funds registered with the Canada Revenue Agency as charitable organizations, where:
 - beneficiaries are selected from a widely based group on the basis of merit and/or need,
 - there is non-restricted access to the programs, and
 - funds are directed to an accredited educational program; and
- organizations that provide formal educational activities and training in necessary life skills, such as “English as a Second Language” programs.

In the case of schools, the permit applicant must be the school itself, not a class or department within the school. However, parent/teacher associations or other groups may also be eligible for a cGaming permit, provided that they:

- support one of the types of schools listed above; and
- are properly constituted as charitable organizations or non-profit organizations with charitable objects.

Only one related eligible organization may be issued a permit at any one time to fund the same educational purpose, school, program or governing body. Therefore, the school and its parent/teacher association may not both hold permits. The parent/teacher association is only eligible for a permit if the school determines that it will not raise funds through cGaming.

School councils required by the provincial government are not eligible for a cGaming permit.

ELIGIBLE USES OF CGAMING PROCEEDS

Proceeds raised from cGaming cannot be used to fund core programs or services. The definition of core programs or services depends on what has been historically provided by the individual school and what is mandated by the provincial government. Additionally, eligible uses may vary between boards of education and schools in the same community.

The permitting authority may approve eligible organizations in this category to use cGaming proceeds for the following purposes, so long as they are not historically provided by the organization or mandated by the provincial government:

- non-profit student publications such as newsletters and yearbooks that are provided at a nominal or no cost;
- educational student conferences and field trips within Ontario;
- student organizations such as arts/drama clubs and student councils/ unions;
- academic competitions;
- student athletics programs: uniforms, sports equipment, safety equipment, fees for qualified officials (where necessary) and facility rental fees;
- registered scholarships and bursaries open to Ontario residents; and
- travel, including out-of-province travel, provided that it complies with the requirements set out in Section 2.3.1.

Schools may only use cGaming funds to purchase non-core services, items or equipment as approved by the permit. Schools may not use cGaming proceeds for the purchase, construction or renovation of facilities or buildings or to purchase other capital assets, such as school buses.

The cGaming proceeds raised must be used for the overall benefit of the school. For example, cGaming proceeds raised for athletic programs must be used to support all representative sports teams within the school, not just selected teams. Proceeds must be controlled and used for the benefit of the entity that has been issued the permit (e.g. The school holds the permit and controls the approved use of proceeds, the School Board may not control or direct the Use of Proceeds).

BURSARIES AND SCHOLARSHIPS

cGaming proceeds may be used to establish or support scholarship or bursary funds for educational purposes, under the following conditions:

- the establishment or support of such a fund is integral to the organization's mandate;
- the fund is registered with the Canada Revenue Agency as a charitable organization;
- the scholarships or bursaries are designed to allow a significant number of students in the community to apply; and
- scholarships or bursaries are used for an educational program that leads to a recognized degree, diploma or certificate.

A scholarship fund that allows only a limited number of applicants, such as the children of members of a small service club, to apply would be considered too narrowly focused. cGaming proceeds may not be used for this purpose. Scholarships or bursaries for the development of established professionals are also ineligible.

A municipality may request the criteria for awarding the bursary or scholarship. The granting organization will provide names and postal codes of the recipients to the municipality. This is to ensure fairness and funds supporting individuals in the community. Ideally cheques should be made out to the educational institution where possible instead of the individual

3.3 THE ADVANCEMENT OF RELIGION

ELIGIBILITY GUIDELINES

The “advancement of religion” refers to promoting the spiritual teachings of a religious body and maintaining the doctrines and spiritual observances upon which those teachings are based.

To be eligible in this classification, an organization must meet all the basic eligibility criteria set out in this chapter and must demonstrate that its programs and services assist in the delivery of religious services and programs to the community. Additional objectives of religious organizations usually include support of the poor, sick and destitute as well as a host of other charitable objectives. In order to be eligible, an organization must demonstrate:

- one of its primary purposes is the advancement of religion;
- its credentials regarding the religion it advances;
- its affiliation with the religion it advances; and
- how it advances that religion.

Activities that advance religion may include:

- organizing and providing religious services and guidance;
- performing pastoral and missionary work for Ontario residents; and
- establishing and maintaining buildings for worship and other religious use.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this classification include:

- churches, synagogues, mosques, chapels, temples;
- missionary organizations; and
- other religious assemblies or congregations for religious observance and instruction.

Religious organizations may use cGaming proceeds to provide direct benefits only to the residents of Ontario.

The permitting authority may also allow religious organizations to use cGaming proceeds to provide programs falling within other classes of charitable purposes, such as the relief of poverty and the advancement of education, as long as these are included in the purposes or objects of the organization.

An organization that attempts to influence public opinion or actions on political issues is not advancing religion in the charitable sense. Therefore, advocacy, self-help groups and groups dedicated to the political, personal and financial advancement of their members are not eligible organizations in this category.

ELIGIBLE USES OF CGAMING PROCEEDS

The permitting authority may approve eligible organizations in this classification to use cGaming proceeds for the following purposes:

- the development and enhancement of religious programs for parishes, missions, synagogues, temples or other religious assemblies within Ontario;
- religious training, education and instruction;
- relief of poverty, provided it is within the mandate of the organization;
- the publication and distribution of religious literature and educational materials;
- administrative costs, including wages and salaries (except salaries for fundraising individuals);
- rent or mortgage payments, and utilities (heat, water, electricity and telephone) for buildings used for religious purposes;
- direct costs for travel within Ontario for religious purposes (see 2.3.1 Travel costs);
- the maintenance and repair of buildings used for religious purpose;
- capital projects, including:
 - the purchase or construction of facilities to be used for religious purposes, and
 - property improvements and renovations on buildings used for religious purposes (see Section 2.3.1 Building funds).

3.4 OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY

GENERAL ELIGIBILITY GUIDELINES

In addition to meeting all the basic eligibility criteria set out in this chapter, an organization may be eligible under this classification if one of its main objects is a charitable purpose beneficial to the community and does not fall within one of the first three classifications.

An organization must have a purpose that provides a public benefit, but this alone is not enough to qualify it as charitable. To be eligible in this classification, an organization must demonstrate that it provides a broad public benefit directed toward an identifiable segment of the community or a significant portion of the community.

An eligible organization in this classification may also have objects or purposes that are not charitable, as long as those objects are secondary to the main purpose, which must be charitable. The organization must be operated on a non-profit basis.

For administrative purposes, eligible organizations with other purposes beneficial to the community have been divided into the following seven categories:

- a. Culture and arts
- b. Health and welfare
- c. Amateur sport organizations
- d. Enhancement of youth
- e. Public safety programs
- f. Community service organizations
- g. General community benefit- E.g. environmental, animal protection

The promotion of voluntarism, in itself, is not eligible for cGaming. Advertising for volunteers, matching individuals to volunteer placements and promoting volunteer activity are not eligible uses of cGaming proceeds. However, volunteer training and support and providing direct charitable services, such as counselling for those in need, are eligible uses of proceeds.

(A) CULTURE AND THE ARTS

ELIGIBILITY GUIDELINES

To be eligible in this category, an organization must meet all the basic eligibility criteria set out in this chapter and demonstrate that:

- its primary purpose is to provide the public with an opportunity to experience:
 - artistic endeavours, including literature, dance, music, theatre, painting, sculpture, movies, photography and live performances, or
 - specific cultural and heritage activities; and
- its programs and services are directed toward approved and recognized cultural and artistic purposes.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this classification include:

- ballet companies;
- symphony orchestras;
- theatre groups;
- literary groups;
- groups advancing a specific culture, heritage or language beyond the members of the group, to the general public; and
- heritage conservation or historic organizations.

ELIGIBLE USES OF CGAMING (LOTTERY)PROCEEDS

A permitting authority may approve eligible organizations in this category to use cGaming proceeds for the following purposes:

- the preservation or enhancement of traditions, heritage and culture, provided there is a public, not private, benefit;
- the publication and distribution of literature and materials;
- the preservation of heritage and cultural art forms, provided there is a public benefit;
- underwriting the costs of cultural festivals, public performances or other community cultural sessions/presentations;
- direct costs for travel within Ontario for culture and arts purposes (out-of-province and out-of-country travel costs are not eligible); and
- capital acquisitions, renovations or maintenance where the buildings and capital assets are used for culture and arts purposes, where specifically approved by the permitting authority.

(B) HEALTH AND WELFARE

ELIGIBILITY GUIDELINES

To be eligible in this category, an organization must meet all the basic eligibility criteria set out in this chapter and demonstrate that:

- its primary purpose is to improve the health and well-being of the public or an identifiable segment of the community;
- its programs and services are directed towards the provision of medical and social service programs, support and prevention; or
- its primary purpose is to carry out medical research in Ontario.

Eligible organizations may provide programs dedicated to:

- the cure and prevention of disease;
- helping the sick and the dying;
- improving the physical and mental health and well-being of specified groups; and
- providing social and recreational programs to senior citizens so they remain active in the community.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this classification include:

- hospitals;
- non-profit extended care and residential facilities;
- organizations providing activity and home support programs for seniors;
- organizations that are established to operate and maintain a seniors centre or seniors social club
- organizations dedicated to research and funding for the prevention of illness or finding a cure;
- organizations dedicated to assisting persons with physical and mental disabilities;
- organizations providing medical and social service support on an outpatient basis; and
- substance abuse programs.

ELIGIBLE USES OF CGAMING PROCEEDS

The following are some examples of what a permitting authority may approve as eligible uses of cGaming proceeds:

- programs that enhance health and well-being;
- medical research within Ontario;
- family counselling and health education;
- administrative costs related solely to the direct delivery of services;
- patient comforts and medical equipment (only if not already funded by the hospital);
- out-of-pocket expenses for staff and volunteers, including travel costs for the direct delivery of charitable services to the clients, where receipts are provided (for example, where staff or volunteers are required to use their own vehicle to deliver the service);
- capital projects, maintenance and repair of buildings;
- out-of-province medical care, where it can be demonstrated that:
 - the provincial government is involved in the decision to seek treatment outside Ontario;
 - the required treatment is unavailable in Ontario;
 - the costs are not fully funded by the provincial government; and
 - residents of Ontario benefit from the care provided.

(C) AMATEUR & RECREATIONAL SPORTS ORGANIZATIONS

ELIGIBILITY GUIDELINES

To be eligible in this classification, an organization must meet all the basic eligibility criteria set out in this chapter and must demonstrate that it provides programs and services to enhance health and fitness through organized physical activity/sports.

An organization must demonstrate that:

- its primary purpose is to provide opportunities for participation in organized athletic activities at the community level; and
- its programs and services are directed toward approved beneficiaries that are eligible for cGaming funding as noted below.

Three types of groups are eligible in this category:

1. Youth amateur sports organizations, where *a majority of the players are under the age of 18*.
2. Amateur sports organizations whose purposes or objects are to provide organized sports opportunities for individuals with a physical, mental or developmental disability, regardless of age.
3. Adult amateur sports organizations, where the athletes represent Ontario or Canada in the Olympics, the Pan-American Games or Commonwealth Games as the result of:
 - winning previous, sanctioned competitions; and
 - meeting the guidelines of their governing sport bodies.

Only Ontario residents competing in amateur sports as individuals or as members of teams that are part of a recognized sports organization may benefit from cGaming proceeds.

ELIGIBLE YOUTH AMATEUR SPORTS ORGANIZATIONS

ELIGIBILITY GUIDELINES

For the purposes of cGaming, the term “youth” refers to anyone under the age of 18. The *majority* of individuals (over 50%) benefiting from programs offered by organizations in this category must be under 18 years of age at the start of the sporting season. *Adult teams and leagues are not eligible.*

To be eligible in this category, an organization must meet all the basic eligibility criteria set out in this chapter and must demonstrate that it is:

- dedicated primarily to supporting amateur athletes under 18, supported by a list of players – names and their birthdates; and
- an association or club that governs *numerous* individual competitors, teams, ages or expertise levels (individual teams involving a narrow age group and a small number of participants are too narrowly focused to be eligible for permits or to receive funds or donations derived from cGaming proceeds.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this category include:

- local sports leagues and associations that serve youth;
- non-profit sports clubs, that support a community-oriented program for youth under the age of 18 years; and
- Ontario and national associations for representative teams, such as the Ontario Hockey Association and the Ontario Amateur Softball Association

Ontario associations for representative teams are eligible for one permit per type of gaming event, per team in a municipality at a time, provided that:

- the individual team is a non-profit organization;
- a *majority* of the team’s signed players are under the age of 18 at the start of the association’s season
- each application is made by the association on behalf of the team;
- the association supports the permit application with an original letter confirming that the team is a non-profit organization in good standing with the association; and
- the use of cGaming proceeds is restricted to the direct delivery of the program to the players/team.

If a non-profit club runs both youth and adult programs, only direct expenditures for the youth programs may be considered as eligible uses of cGaming proceeds. In order to be eligible, the club must be able to separate the costs of the youth and the adult programs in the budget and the financial tracking system.

ELIGIBLE AMATEUR SPORTS ORGANIZATIONS FOR ATHLETES WITH A DISABILITY

ELIGIBILITY GUIDELINES

Most of the individuals benefiting from programs offered by organizations in this category must have a demonstrated physical, mental or developmental disability.

To be eligible in this category, an organization must meet all the basic eligibility criteria set out in this chapter and must demonstrate that it is:

- dedicated primarily to supporting amateur athletes who have a physical, mental or developmental disability that limits their ability to participate fully in sporting activities for the general public;
- an association or club governing numerous individual competitors, teams, ages or expertise levels.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this category include:

- local sports leagues and associations that serve individuals with a physical, mental or developmental disability;
- public non-profit sports clubs, encompassing any age group and expertise levels, as long as they provide programs primarily for individuals with a disability; and
- Ontario and national associations for representative teams, such as the Ontario Special Olympics.

ELIGIBLE ADULT AMATEUR SPORTS ORGANIZATIONS REPRESENTING ONTARIO AND CANADA

ELIGIBILITY GUIDELINES

Adult amateur sports organizations (where most of the players are 18 and over) representing Ontario or Canada in the Olympics, the Pan American Games or the Commonwealth Games may be eligible to receive permits.

To be eligible in this category, an organization must meet all the basic eligibility criteria set out in this chapter and must demonstrate that it is:

- primarily dedicated to the direct support of amateur athletes representing Ontario or Canada in the Olympics, the Pan American Games or the Commonwealth Games;
- an association or club governing numerous individual competitors, teams, ages or expertise levels (individual teams involving a narrow age group and small number of participants that are part of a competitive association or league, are too narrowly focused to be eligible for a permit).

Only Ontario residents may benefit from cGaming proceeds, regardless of whether the organization is representing Ontario or Canada.

INELIGIBLE AMATEUR SPORTS ORGANIZATIONS

In order to be eligible for a cGaming permit, adult sports organizations that do not represent Ontario or Canada in competitions must fulfil some other purpose beneficial to the community. This means that an

organization must demonstrate that it has a charitable mandate beyond its adult sports purpose. cGaming proceeds may only be used for the charitable objects of the organization, not for any adult sports objective.

The following types of organizations are not eligible to receive permits:

- private, members-only clubs;
- teams with any combination of amateur and professional athletes;
- *for-profit* sports organizations or clubs;
- individual teams;
- sub-groups, auxiliaries, booster clubs and groups known as “friends of” ineligible sports organizations;
- professional or semi-professional sports organizations, such as the Canadian Football League;
- committees that support events designed to increase tourism;
- adult recreational or predominately adult-oriented sports; and
- organizations that are administrative in nature and do not directly support amateur athletes.

ELIGIBLE USES OF CGAMING PROCEEDS

A sports organization must provide detailed information regarding its proposed use of cGaming proceeds. The municipal permitting official must consider the proposed use of proceeds on a case-by-case basis.

The permitting authority may approve eligible organizations in this category to use cGaming proceeds for the following purposes:

- salaries or wages for qualified coaches or instructors that are not members of the organization or the Board of Directors;
- uniforms;
- equipment, program and safety supplies;
- staff and volunteer training, where necessary for the safety of the athletes, up to and including National Coaching Level II;
- facility rentals for youth amateur sporting events (must be supported by rental receipts);
- facility rentals for adult amateur provincial or national competitions if the permittee is the host (must be supported by third-party receipts);
- necessary qualified competition officials; and
- direct costs for travel for youth amateur sports purposes to recognized competitions, sanctioned by the appropriate governing bodies, except for out-of-season or exhibition games.

The permitting authority shall ensure separation between not-for-profit and for-profit where there is a partnership or close relationship between both entities (e.g. the not-for-profit Gymnastics Group and a for-profit Gymnastics Club). As an example, typically if equipment is acquired for use by all participants (beyond the permitted not-for-profit group) at the for-profit location, it is not an eligible use of proceeds.

TRAVEL/TRANSPORTATION COSTS

cGaming proceeds may be used for travel and transportation costs for sanctioned out-of-town tournaments or competitions. These costs may include meals, accommodation, airline tickets, bus rental and other reasonable expenses incurred by the players, and a reasonable number of coaches and chaperones for any

youth participants. Please note that third-party commercial receipts must be provided for travel. Mileage costs for personal vehicles are not permitted.

The organization must provide the following information with its permit application:

- documents showing that the applicant organization complies with the eligibility requirements;
- a letter from the appropriate sport's governing body, sanctioning the tournament/competition;
- a copy of the tournament itinerary, including the dates and time of the scheduled games/competitions; and
- a membership list and a list of participants, noting their ages (approved use of proceeds will be restricted to those under 18).

Except in unusual circumstances, cGaming proceeds may not be used to fund travel costs associated with out-of-province training. A sports organization requesting approval for such costs must demonstrate that:

- the need for the training program is justified as an integral part of the sports program;
- the training activity has been historically part of the organization's mandate and activities;
- participants could not otherwise afford to pay the associated travel and accommodation costs;
- all participants in the training program have been chosen to represent Ontario or Canada; and
- the training cannot be provided in Ontario and must be provided out-of-province to be effective.

COACHING FEES

Coaching fees (salaries) are considered an indirect expense. However, it is recognized that in certain sports, coaching plays an important role in the development of the players. Therefore, coaching fees are considered eligible uses of cGaming proceeds provided the following conditions are met:

- the need for a qualified coach is justified as an integral part of the sports program;
- the expertise level and hours of work required cannot be reasonably provided by a volunteer;
- salaries are reasonable and geared to the expertise required and hours worked; and
- individuals receiving salaries or wages for coaching or other instruction:
 - have recognized credentials in their field;
 - are not officers or directors of the organization; and
 - do not have voting rights as members of the organization.

Sports organizations may also use proceeds for training or to develop coaches themselves up to National Coaching Level II.

PAYMENT OF OFFICIALS/REFEREES

If the presence of officials and referees is integral to the proper conduct of the sport, the following types of organizations may use cGaming proceeds to pay their fees:

- eligible youth amateur sports organizations; and
- eligible amateur sports organizations for athletes with disabilities.

The fees must be based on amounts authorized by the league or association and only be paid to individuals assigned by the league or association to officiate at the event.

Adult amateur sports organizations representing Ontario or Canada may not use lottery funds to pay officials or referees.

INELIGIBLE USES OF CGAMING PROCEEDS

The following costs are not considered eligible uses of cGaming proceeds for any amateur sports organization:

- professional development/staff training beyond National Coaching Level II;
- travel of a social, recreational, or administrative nature, including travel for out-of-season or exhibition games or competitions
- expenses for governing bodies and games committees;
- athletic awards and trophies; and
- the purchase, construction, renovation or repair of facilities or buildings.

In the case of sports organizations, administration costs such as administrators' salaries, tournament and team registration fees, office expenses and utilities are considered to be indirect expenses that are not essential to the delivery of the sports program. Since these administration costs are not considered charitable, they cannot be paid using cGaming proceeds

(D) THE ENHANCEMENT OF YOUTH

ELIGIBILITY GUIDELINES

Organizations that support youth programs and services for youth that enhance human development, civic responsibility and pride in the community may be eligible for a permit in this category.

An organization must meet all the eligibility criteria and demonstrate that:

- its primary purpose is to provide services and programs for young people;
- its programs and services are directed toward programs and services for youth; and
- its programs have no access restrictions other than the age requirement.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this category include organizations formed to:

- instruct youth in specific skills, such as 4-H clubs and Scout and Guide troops; or
- provide support and assistance to youth, such as Big Sisters and Big Brothers.

Cadet organizations associated with the Armed Forces, such as Air Cadets, may be eligible to receive cGaming proceeds. In some circumstances cadet organizations may be controlled by the Provincial Command and may therefore not be constituted as separate legal and administrative organizations. The eligible organization may be the Provincial Command. In those cases, the Provincial Command must apply for and hold the permit on behalf of each cadet group.

ELIGIBLE USES OF CGAMING PROCEEDS

The permitting authority may approve eligible organizations in this category to use cGaming proceeds for the following purposes:

- salaries or wages for qualified instructors who are not members of the organization or the Board of Directors;
- uniforms, program supplies and equipment;
- the publication and distribution of material which is integral to the organization's charitable activities;
- volunteer training;
- safety equipment and supplies;
- necessary, qualified competition officials, where competitions are integral to the organization's mandate and activities; and
- direct costs for travel within Ontario for direct program delivery (third-party commercial receipts must be provided, as no mileage costs for personal automobiles or other motor vehicles are allowed).

(E) PUBLIC SAFETY PROGRAMS

ELIGIBILITY CRITERIA

To be eligible in this category, an organization must meet all the eligibility criteria and demonstrate that:

- its primary purpose is to provide programs for the enhancement of public safety at the community level;
- its programs and services are available to the whole community;
- its programs and services are directed toward improving community safety;
- its programs and services are consistent with the public safety laws of the Province of Ontario; and
- it is legally, financially and administratively separate from all forms of government and is not carrying out a municipal, provincial or federal mandate

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may qualify in this category include those providing:

- community health and safety programs;
- community water safety programs;
- volunteer fire fighting services;
- community search and rescue programs; and
- anti-crime programs such as Crime Stoppers, that are not carried out under a municipal or provincial mandate (community policing programs are not eligible).

Member organizations of the Ontario Federation of Snowmobile Clubs may be eligible provided that:

- they are organized as a non-profit organization in the manner approved by the Registrar; and
- the Federation supports the application.

ELIGIBLE USES OF CGAMING PROCEEDS

The permitting authority may approve eligible organizations in this category to use cGaming proceeds for the following purposes:

- the publication and distribution of non-profit promotional materials and literature related to public safety;
- public safety education programs, such as search and rescue and public signage;
- travel costs within Ontario (out-of-province travel is not eligible) for direct program delivery (third-party commercial receipts must be provided, as no mileage costs for personal automobiles or other motor vehicles are allowed); and
- capital acquisitions necessary for the delivery of public safety programs, where specifically pre-approved by the permitting authority, except snowmobile trail groomers, which are not eligible.

Eligible member organizations of the Ontario Federation of Snowmobile Clubs may only use cGaming proceeds for education and safety programs. These programs include Easter Seal Rides, Environment Awareness/Education Program, Ride Safe Ride Sober, Driver Training Program (age 12–16 years only), Signage Program, Young Rider Training Program, Safe Driving Education Program and Search/Rescue Assistance. Proceeds cannot be used for other activities, such as trail grooming and maintenance.

(F) COMMUNITY SERVICE ORGANIZATIONS

ELIGIBILITY GUIDELINES

Community service organizations are primarily established to provide funds to other organizations that carry out charitable activities for the benefit of the community. To be considered eligible for a cGaming permit, a community service organization must have a purpose or object that allows them to make donations to other organizations. A community service organization must include a statement of how it intends to use the proceeds with its permit application.

Community service organizations are divided into three categories:

- service clubs;
- the Royal Canadian Legion; and
- the United Way and Federated Health.

SERVICE CLUBS

Service clubs are generally set up to perform activities and undertake projects that benefit eligible charitable organizations or to operate programs that provide a direct charitable benefit to the public.

Each branch or chapter of larger service clubs, such as the Rotary or Lions clubs, which have regional, provincial or national mandates, may be eligible, providing the branch:

- meets the eligibility criteria;
- has a specific regional or community mandate;
- is a separate legal entity;
- has its own Board of Directors;
- has independent budgets and banking procedures;
- has its own purposes or objects that are recognized in law as being of a charitable nature; and
- has overall control over its decision-making.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this category include:

- organizations historically considered to be service clubs, such as the Lions Club and Rotary Club; and
- social and professional organizations that:
 - have expanded their mandate to include a charitable object, and
 - have provided charitable services to the community for at least one year

ELIGIBLE USE OF PROCEEDS

The service club must give the permitting authority detailed lists of how it proposes to use the cGaming proceeds. The permitting authority may approve service clubs to use cGaming proceeds for the following purposes:

- projects that are consistent with the organization's charitable purposes or objects and provide a direct charitable benefit to the community;
- donations to other organizations for their own charitable purposes
 - The service club may only donate cGaming proceeds to an organization that is providing an eligible charitable benefit.
 - The permitting authority reserves the right to request information on individuals receiving benefit (e.g. Send a Kid to Camp) including names and postal codes to ensure the recipients are from the community as well as information on the selection process to ensure integrity.
 - All payments must be made to the organization providing the program, not individuals
 - The onus is on the service club to ensure that donated cGaming proceeds are used for purposes consistent with the receiving organization's mandate and approved uses of funds
 - The permitting authority may pre-approve organizations/programs to receive funds so confirmation on use of proceeds is not required
 - For groups that are not municipally pre-approved, the service club must provide the permitting authority with a letter from the organization receiving the funds specifying how the donation will be used in advance of receiving the funds.
 - The municipality shall declare a receiving organization as ineligible if the funds were not used or approved purposes
- The municipality has the discretion to approve a crisis or emergency fund and determine the criteria. Crisis or emergency needs on a case by case basis and subject to approval in by the municipality. Proceeds may not be issued to individuals and must be issued to the provider of the goods / support (e.g. A health care supplier for the purchase of a specialized wheelchair). Some examples on use or these proceeds include:
 - a family in need who has experienced a tragic house fire
 - an individual in need who requires a costly medical device
 - a local disaster or emergency

Receipts for purchases, payment records and names of the individuals benefiting must be provided in the monthly report to the municipality. Municipalities may amend Permits and approved use of proceeds to address an emerging community need.

INELIGIBLE USE OF PROCEEDS

In addition to their charitable objects and purposes, service clubs have a mandate to provide membership-oriented activities. These activities provide a private, not a public benefit to the members of the service club. Membership-oriented activities do not qualify as charitable and service clubs may not use cGaming proceeds for these purposes.

The following types of costs do not qualify as eligible uses of proceeds for service clubs:

- expenses related to the members' lounge;
- any program that is membership-oriented, including trips to conferences for members; and
- any programs restricted to members and their families

SERVICE CLUB BUILDINGS

If a service club owns a building that it allows community organizations to use free of charge or with a reduced rate, it may use some cGaming proceeds for building maintenance and capital improvement costs. Proceeds may also be used for renovations, repairs, and ongoing maintenance. Funds may not be used for food and beverage, related staffing, or administration. The service club must demonstrate that the public benefit goes beyond the occasional usage by outside charitable groups.

The municipality may establish a maximum allowable amount from cGaming proceeds to be used for building maintenance and capital requirements. The municipality will consider how frequently the facility is offered free of charge or at reduced rates to charitable organizations and will establish a maximum amount allowed for building expenses. The maintenance costs may include:

- municipal taxes;
- utilities;
- liability insurance on the building; and
- cleaning and general maintenance.

The permitting authority must decide on a case-by-case basis the amount that can be used for operating expenses.

The permittee may make temporary investments in instruments insured by the Canada Deposit Insurance Corporation (CDIC) if it receives prior approval from the permitting authority and maintains a detailed audit trail. All principal and interest earned on the investment must be returned to the cGaming trust account(s) and used for the permittee's approved charitable purposes. These investments cannot exceed the maximum insured by the CDIC.

THE ROYAL CANADIAN LEGION

The municipality may approve the Royal Canadian Legion to use cGaming proceeds for the following purposes:

- Projects that are consistent with the organization's charitable purposes and objects and provide a direct charitable benefit to the community.
- The development and maintenance of an educational bursary fund established by the Royal Canadian Legion, which meets the following criteria:

- the fund is registered with the Canada Revenue Agency as a charitable organization;
- the bursaries are available to a significant number of students in the community; and
- the bursaries are applied to an educational program that leads to a recognized degree, diploma or certificate.
- Donations to organizations for their own charitable purposes. The branch must provide the municipality with specific details on how the recipient will use the donation before approval will be given.
- A branch's building maintenance, general operating costs, and building funds. The municipality can determine the maximum allowable from cGaming proceeds for building maintenance and capital requirements. The municipality will consider how frequently the facility is offered free of charge or at reduced rates to charitable organizations and will establish a maximum amount allowed. The costs may include:
 - municipal taxes;
 - utilities;
 - liability insurance on the building; and
 - cleaning and general maintenance
 - building construction or renovations (see 2.3.1 Building Funds section)

THE ROYAL CANADIAN LEGION BUILDINGS

Many Legion branches own a building that it allows community organizations to use free of charge or with reduce costs, it may use some cGaming proceeds for building maintenance and capital costs (a building fund). Proceeds may be used for renovations, repairs, capital costs and ongoing maintenance. Funds may not be used for food and beverage and related staffing or administration. The Legion branch must demonstrate that the public benefit goes beyond the occasional usage by outside charitable groups.

There are supplemental building fund policies that apply to the Royal Canadian Legion and its branches. In addition to the usual approval from the municipality (who has the final decision), a branch's proposal to use cGaming proceeds for building funds must be reviewed and approved by the Ontario Provincial Command of the Royal Canadian Legion.

ELIGIBILITY CRITERIA:

The permitting authority may grant approval for a branch of the Royal Canadian Legion to use a predetermined portion of cGaming proceeds to cover the capital costs of construction, repair or the leasehold improvement of branch buildings on a similar basis as applied to service clubs. Capital repairs do not include the normal painting, decorating (interior and exterior) and service calls that are included in use of cGaming proceeds allowed for general maintenance of the building.

A Royal Canadian Legion branch may have a building fund and also use a separate portion of proceeds for general maintenance.

The municipality may approve a building fund under the following conditions:

1. The branch provides a public charitable benefit by allowing charitable organizations in the community to use the building free of charge or at reduced costs for their approved purposes.
2. The branch may only apply to use lottery funds to renovate or make additions to buildings it owns or leases on a long-term basis from a non-profit organization. The branch must comply with the

procedures set out by the Ontario Provincial Command if it is constructing a new building or renovating an existing one.

3. The branch must obtain prior approval from the municipality before using funds for this purpose.

APPROVAL PROCESS

Prior to using cGaming proceeds for renovations or the construction of new buildings, branches must comply with the procedures set out by the Ontario Provincial Command of the Royal Canadian Legion. In addition, branches must follow the general policies for service club building funds.

If the branch does not comply with this approval procedure, the municipality must refer the matter to the Administrative Committee of the Ontario Provincial Command for any action it may deem necessary.

This policy also applies to Legion branches in northwestern Ontario. However, they are not required to obtain approval from the Ontario Provincial Command, since they do not fall under its jurisdiction, but they must follow the general policies for service club building funds.

APPLICATION REQUIREMENTS

If a branch proposes to use cGaming proceeds for building fund (capital) purposes, it must supply the following information with its permit application:

- a written estimate of the amount needed for the building fund, an explanation of the capital expenditure, and the amount of net cGaming proceeds to be used;
- a letter of approval from the Ontario Provincial Command authorizing the expenditure and the amount of net cGaming proceeds to be used; and
- the documents required in Section 2.3.1 Building funds

The Ontario Provincial Command may request additional documentation to support building fund proposals. The Command must make these documents available to the municipality upon request.

ELIGIBLE USES OF PROCEEDS

Once the permitting authority has approved the use of proceeds for a building fund, the branch may use cGaming proceeds for the following building fund purposes:

- capital building repairs;
- replacements and additions of a capital nature; and
- the full amount of the mortgage payments, including the principal and interest, approved for a new building project or for an existing mortgage

Please note that lottery funds may be used to renovate the portions of a building used by the public but not the members' lounge.

(G) GENERAL COMMUNITY BENEFIT

ELIGIBILITY GUIDELINES

Organizations that support the community in a way that does not fall specifically under other eligibility criteria maybe eligible for a cGaming permit in this category. Permitting authorities must review each applicant on a case by case basis to ensure direct benefit to the community and the most effective use of proceeds based on the purpose of the organization.

To be eligible in this category, an organization must meet all the basic eligibility criteria and demonstrate that:

- its primary purpose is to provide direct benefit to an identifiable segment of the community or the community as a whole or;
- its programs and services are directed towards the protection of wildlife, animals, or the environment.

ELIGIBLE ORGANIZATIONS

Examples of the types of organizations that may be eligible in this classification include:

- Local animal shelters like OSPCA provided they are not operated directly by the municipality or province
- Wildlife protection or animal rescue groups
- Organizations that improve or protect the environment, (e.g. plant trees, support healthy wetlands, etc.)

ELIGIBLE USE OF PROCEEDS

The following are some examples of what a municipality may approve as eligible uses of cGaming proceeds:

- programs that enhance the community;
- costs associated with the protection of animals (e.g. spay/neuter or rehabilitation programs)
- administrative costs related solely to the direct delivery of services;
- program supplies and equipment;
- the publication and distribution of material which is integral to the organization's charitable activities.

3.6 INELIGIBLE USE OF PROCEEDS

A proposed use of cGaming proceeds is ineligible if:

- it provides a personal benefit or gain to the members of the applicant organization;
- it supports tourism or other purely economic benefits;
- it advances a particular political issue;
- it enhances lands and buildings owned and/or operated by a government;

- it is a responsibility that has traditionally been fulfilled by a government; or
- it funds activities that do not fall within one of the four charitable classifications.

Eligible organizations may not use the proceeds from permits for any activity that does not fall into one of the four charitable classifications including:

- the cost of political lobbying and/or advocating a particular view on a political issue, including the cost of staffing, publication materials and advertising;
- fundraising activities, including wages for a fundraiser and the cost of promotional materials;
- administrative or other activities that are not integral to the direct provision of the organization's charitable mandate;
- the provision of services for which the organization receives government funding or which the organization is required, by law, to provide;
- legal fees/costs incurred by the organization or its board;
- volunteer recognition;
- foreign aid, out-of-province aid or aid to non-Ontario residents;
- accounting fees;
- out-of-pocket expenses for volunteers;
- academic and sports awards and trophies;
- construction, renovation or improvement of buildings owned by or on land owned by the Government of Canada, the Province of Ontario or municipalities

4. BANKING AND FINANCIAL

Each charitable organization shall open and maintain a separate bank account to accept cGaming funds. The funds must remain separate from other funds including general funds, funds from other licensed events, etc. and shall only be used for approved use of proceeds based on municipal Permit requirements.

A) BANK ACCOUNT

- i. A designated business account shall be maintained in the name of the Permittee, and shall have the following features:
 - chequing account in Canadian Funds
 - a minimum of two (2) signing officers, who must be bona fide members of the Permittee, to administer the account and make payments/withdrawals on behalf of the Permittee
 - payment/withdrawal privileges and monthly statements issued
 - Printed online banking statements are permitted for monthly reporting, providing they are statements. A printout of the account transaction history page is not acceptable
 - cash withdrawals are not permitted
 - all cheques returned with monthly statement or available for printing online

- two signatures required on cheques
- ii. Deposit into the account all monies derived from cGaming with Ontario Lottery and Gaming (no other funds may be deposited into this account)
- iii. Assignment shares from OLG will be transferred by the CGCA via electronic funds transfer so the Permittee must ensure that its account has the capability of receiving EFT payments
- iv. All approved expenses (as per the Permit) should be paid directly from the designated business account. Organizations are not permitted to transfer funds from the designated business account into another account unless specifically authorized by the Municipality.

B) PAYMENTS

- Payments/withdrawals may only be made for the payment of the expenses incurred and the donation of net proceeds for the charitable purposes approved on the Permit.
- There must be sufficient funds in the account to cover all payments. Overdrafts are not permitted.

C) METHODS OF PAYMENT

- i. The Permittee may use any method of payment for approved expenses including, but not limited to: Cash, Cheques, Credit Cards and Debit Cards (personal or in the name of the organization), PayPal, Interac E-Transfer, Direct Deposit (EFT). Supporting detailed receipts/invoices must be submitted with the monthly Report to Municipality.
- ii. If using any method requiring reimbursement to an individual (e.g. Personal Debit/Credit Card) the Permittee must:
 - Provide any documentation required or requested by the municipality.
 - Ensure fees or interest charges are not included in the reimbursement
 - Ensure all transactions be approved by two designated signing authorities on the account.
- iii. Organizations can use VISA Debit cards which can be 'loaded' with smaller amounts, which act similar to cash, as an option to reduce liability and risk

E) INVESTMENTS

The Permittee may make temporary investments in instruments insured by the Canada Deposit Insurance Corporation (CDIC) if it receives prior approval from the permitting authority. These investments cannot exceed the maximum insured by the CDIC.

The Permittee shall not deposit monies received from any source other than OLG's charitable gaming centres - into the designated business account except funds earned or credited directly from the charitable gaming proceeds through interest income or HST rebate on permitted expenditures.

F) MANAGEMENT OF EXCESS cGAMING FUNDS FOR ALL cGAMING ORGANIZATIONS

If an organization is unable to use its cGaming proceeds on the most recent permit for approved uses in the community, due to any of the following:

- *The organization has more cGaming funds than currently needed and there is no plan for use of the funds*
- *A permit is revoked or not renewed*
- *The organization dissolves*

1. The Municipality may allow the organization to donate excess funds to another organization that meets the requirements under 2.3.1 DONATING TO OTHER ELIGIBLE ORGANIZATIONS
2. The Municipality will direct these funds to be returned to the CGCA for distribution on a pro-rata basis to its current membership with an active Permit on the date of the return of the funds.