

Charity Information Session

Cambridge – June 2013

Revitalization of Charitable Bingo and Gaming Initiative

ocga
ontario charitable gaming association

ocga
ontario charitable gaming association

Long Term Strategy

- A stabilized Charitable Gaming Industry with growth potential – building on our experience from the 6 eBingo pilot sites that have operated over last 6 years
- Reverse the 8%-10% annual bingo decline across the province - A gradual transformation of our industry by introducing technology and new products to charitable gaming
- A new entertainment experience in our centres that will appeal to current and **more importantly bring back lapsed players and attract new players**
- A stronger industry brand and image for Charitable Gaming
- Ontario Charitable Gaming Association (OCGA) was instrumental in the development of this model 6 years ago
- OCGA and CGAO (Operator association) work with Ontario Lottery & Gaming (OLG) on this initiative

ocga
ontario charitable gaming association

Technology Strategy

- Ontario Lottery and Gaming is committed to upgrading technology and introducing new products on an ongoing basis Charitable Bingo industry needs technology
- We need to modernize with technology to evolve and grow as a fundraising vehicle for charities
- Develop products **unique** to Charitable Gaming
- Ongoing product development and technology renewal – industry committee works with OLG

3 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Products

4 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Products Phase 1

- Base e Bingo system implemented first
 - E-bingo - Session Based
 - Paper bingo / paper Nevada Tickets STAY
 - Play on Demand Games (POD)
 - Not session based – side games – bingo, Scratch Tickets, BOT tickets
- About a month after launch
 - Break Open Ticket Dispensers – Tap Tix

5 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Products Phase 1

- E-Shutterboard
 - Fast paced
 - Destination game
- Rapid Draw Bingo
 - Passive lottery style game
 - Game every 10 minutes
 - Purchase and check ticket later or watch draw live
- Annual refresh of product
- New products for the future already being planned – Ongoing renewal

6 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Charitable Gaming Sites

7 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Now in Operation

Sudbury -NEW	Boardwalk Gaming Valley – Launched August + BOT Dispensers
Sudbury	<i>Boardwalk Gaming Sudbury – Upgraded PODS + Bot Dispensers</i>
Peterborough	<i>Kawartha Club Bingo – Upgraded PODS +BOT Dispensers</i>
Kingston	<i>Treasure Chest Bingo,–Upgraded PODS + BOT Dispensers</i>
Kingston-NEW	Community Spirit Bingo - Launched September + BOT Dispensers- Dec 2012
Barrie	<i>Boardwalk Gaming- Upgraded PODS+ BOT Dispensers – January 2013</i>
Penetanguishene -NEW	Angel Gate Bingo – Launched October - BOT Dispensers – February 2013
Pickering- NEW	Delta Pickering – Launched November-BOT Dispensers – February 2013
Breakaway Windsor	Ongoing
Paradise Windsor	Ongoing
Pembroke - NEW	Pen Bingo – launched February 2013 BOT Dispensers – March 2013
Niagara Falls – NEW	Delta Monte Carlo – launched May 2013

8 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association


Products Phase 1

Delta Oakville	June 18 th
Brampton Community Service	July 16 th
Meadowvale Mississauga	August 13 th
Cambridge	September 10 th
Bingo World Newmarket	October 8 th
Delta St Catharines	November

Another 15 sites in various stages of approvals

9 providing leadership - providing value - making a difference

ocga
ontario charitable gaming association



Delta Pickering

10 providing leadership - providing value - making a difference

ocga
ontario charitable gaming association



Breakaway Windsor

11 *providing leadership - providing value - making a difference*

The image shows the interior of the Breakaway Windsor gaming center. In the foreground, several wooden tables are arranged with computer monitors and chairs. People are seated at the tables, some looking at the screens. In the background, there is a dark wood bar area with a sign that says "BREAKAWAY Gaming Centre". Several people are standing near the bar. The room is well-lit with overhead lights.

ocga



Boardwalk Barrie

12 *providing leadership - providing value - making a difference*

The image shows the interior of the Boardwalk Barrie gaming center. The room is filled with rows of slot machines. Each machine has a large screen displaying a game. There are wooden chairs with green seats in front of the machines. In the foreground, there is a round wooden table with a small white tablecloth and a menu. The walls are a deep red color, and the floor is carpeted.

ocga
ontario charitable gaming association

Financial

13 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Financial Commission Model

- There is a standardized commission model providing an equitable approach for all stakeholders across the province
- The approach is based on “net win” on all gaming product – same as current AGCO model . Model includes an amount set aside for advertising and promotion similar to AGCO model
- **Charities : 25% of adjusted net + 10% gross non gaming revenue from OLG share**
- OLG bears all initial and ongoing costs related to games – technology, paper, tickets, etc.
- All partners have a vested interest to make this a success

14 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Financial Commission for Charities

Context

Under current AGCO model charities receive 45% of adjusted net

It is important to recognize that under the current AGCO model there are *unavoidable* expenses that charities incur which *substantially* reduce the 45% of net win:

- license fees – up to \$165/event
- HST on rent – charities not paying the rent
- bona fide member expenses – up to \$20/volunteer
- admin expenses – no limits under current model

All above expenses except for some administration are *eliminated* under OLG model (formula based on the number of charities supported)

15 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Commission for Charities

Bottom Line For Charities

With all expenses except administration considered charities' net share under AGCO model is actually closer to a maximum of 24% **not 45% of adjusted net win**

Under OLG model charities' net is 26% on a bigger adjusted net win

Charities may see an initial downturn in revenue as current customers adjust to the new environment and marketing ramps up to bring in new customers

However with new products there is real potential for growth

Opportunities for ongoing innovations and creativity are not possible under the current model

16 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

New Roles

17 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

New Roles for Everyone

- Under the Criminal Code **Charities** cannot legally run events using technology
- Only the government can run events using technology so we must partner with Ontario Lottery & Gaming
- The gaming is no longer under the current Alcohol & Gaming Commission of Ontario (AGCO) model where charities “conduct and manage”
- **Ontario Lottery & Gaming** holds “Conduct & Manage” responsibility through contracts with commercial operators, charities and municipalities

18 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

New Roles for Everyone

- **Charities** no longer have current role but have meaningful tasks in the Bingo Gaming Centre in return for direct funding (status quo – monthly shares)
- **Commercial Operators** manage all day to day operations
 - facility, games, finances, most advertising and promotion
- **Municipalities** maintain their important role and receive revenues from OLG
 - focus is on managing eligibility of charities and monitoring use of proceeds
 - issue “permits” instead of licenses
- **Ontario Charitable Gaming Association** supports the charities and the Associations in their new roles and responsibilities

19 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

A New Role for Charities

- Volunteers must be bona fide members of the charity
 - Same definition as current AGCO policy
 - A volunteer may carry out “assignments” for a maximum of 3 charities under permit in Ontario
- Volunteers must be trained
 - Customer Service / Roles and Responsibilities
 - Training sessions planned prior to launch
 - Ongoing training post-launch
- Volunteers must be knowledgeable about policies

20 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

A New Role for Charities

- Only two trained volunteers required for each assignment
 - Limit of two consecutive assignments in one day
- One assignment is one share of the proceeds.
 - Approximately two hours long
 - No lead in or lead out time
- Charities need to have a small core of trained volunteers
 - Consistency / Customer Service
- Less pressure on Volunteers
 - Volunteer friendly role
 - Shorter time period
 - No financial risk
 - Easier to recruit new volunteers
- No bona fide member expenses out of proceeds

21 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

A New Role for Charities

Dress Code Requirement

- Professional Look Promotes Charity Awareness
 - Shirts (can be expensed from proceeds)
 - Option 1 (preferred): Collared shirts / vests with charity identification (logos)
 - Option 2: White collared shirts / vests
 - Pants
 - Conservative, dark pants or skirts
 - Nametag indicating the first name of the volunteer and the charity (if no logo)
 - All volunteers from the charity in the same colour shirts (easily identified)
 - Denim jeans, track pants, stretch pants, shorts, tank tops, and sleeveless t-shirts are not permitted
 - No hats unless specifically related to the charity uniform (e.g., Shriner's Fez) and baseball caps are not permitted
 - Footwear should also be tasteful and appropriate to the role of the volunteer

22 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association



23 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Volunteers

24 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Volunteer Roles

- Charities no longer “conduct and manage”
 - No selling of gaming product or cash
 - No event reports, deposits, reconciliation, shortages, etc.
- Promote Charity awareness - volunteers need to be knowledgeable about the charity they are representing
- Provide excellent “Customer Care”
- Charities provide volunteers for “assignments”
- Volunteers with “people skills”

25 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Volunteer Tasks on Assignment

- ✓ Welcome customers
 - great opportunity to heighten awareness of charity presence
- ✓ Provide information on the Gaming Centre programs and promotions
- ✓ Assist customers with understanding the product basics
 - E-suite (bingo and POD games)
 - How to log in
 - Basic interaction
 - Get staff involved for more detailed information
 - TapTix
 - Bill acceptor
 - Ticket voucher (cash out)
- ✓ Flag winners for bingo paper /electronic– call backs – staff verify

26 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Volunteer Tasks on Assignment

- ✓ Identifying customer service needs and notify staff as needed – take initiative – great customer service
- ✓ Assisting with keeping the environment clean – allows staff to sell
- ✓ Be knowledgeable about Responsible Gambling and the *Accessibility for Ontarians with Disabilities Act*
- ✓ Arrange transportation as required
- ✓ Thank customers for their business and supporting your charity

27 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Promoting Charity Awareness

28 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Promoting Charity Awareness

- Goal is to make it very clear that our customers are contributing to charities in the community
- Charity Awareness a major responsibility of charities & your association
 - Best Kept Secret
 - Major role for everyone
- Great opportunities for public awareness of the monies raised
- In-centre strong charity presence (“charity look and feel”)
- Visible charity displays, videos, and special events linked to charities
- Charities should promote their partnership any way they can
 - Websites, banners, brochures, letterhead, etc.
- Charities must provide Charity Association with information
- Volunteers must be knowledgeable about their charity

29 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association



30 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association




31 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Charitable Gaming Centre Association

32 *providing leadership - providing value - making a difference*

ontario charitable gaming association

Charitable Gaming Centre Association

- Similar structure as before - incorporated
 - Elected board
 - Acts in best interest of charity members
- Holds contract with OLG
 - Responsible for compliance with the OLG contract and Policies/ Standards
 - Responsible for promoting Charity Awareness
- Charity Coordinator
 - Works for your Association board and with OCGA

33 *providing leadership - providing value - making a difference*

ontario charitable gaming association

Charitable Gaming Centre Association

Administrative:

Submitting permits

Scheduling assignments – 2 hours –not tied to events

Distribution of funds

Communication with charities

34 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Administrative


35 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Bank Accounts

- Charities must set up a new “designated business account” to receive funds from OLG.
 - Two signatures required
 - Four signing authorities
- Cannot mix funds from existing Lottery Trust Account (new legal framework)
- If you are only receiving funds from E gaming you may close the Lottery Trust Account once funds are depleted
 - Must continue to report on use of proceeds to municipality until depleted
- If you have funds from raffles or BOTs in a Third Party location you must maintain the Lottery Trust Account for these funds
- Will report on use of proceeds to municipality from designated business account

36 *providing leadership - providing value - making a difference*



ontario charitable gaming association

Permit Process

- Charities receive “permits” from municipality with no fees
 - Replaces licensing
 - Not tied to specific date / time / event
 - Flexibility

- Permit Application Forms
 - Timeframe
 - Process

37
providing leadership - providing value - making a difference



4120 Yonge Street
Suite 500
Toronto, Ontario
M2P 2B8
Tel: (416) 324-1772
Fax: (416) 324-7000

PERMIT APPLICATION FORM
Application to Municipality for permit to participate in
Ontario Lottery and Gaming Corporation (“OLG”) Charitable
Games

Charitable Organization:		
Address:	Municipality:	Postal Code:
Charitable Gaming Centre Supported:	Charitable Gaming Centre Address:	
Period:	To:	No. of Charity Assignments:

We, the undersigned, as principal officer(s) of the above charitable organization apply to the above “Municipality” for a permit to participate in charitable games conducted and managed by OLG at the above “Charitable Gaming Centre” for the above permit period:

1. The charitable or religious objects or purposes to which proceeds are to be devoted are described as:

2. Is the Permit Applicant incorporated as a non-profit organization in the Province of Ontario? (Circle One)

YES
 NO
3. Is the Permit Applicant registered with the Canada Revenue Agency as a charitable organization?

YES
 NO

 If YES, give Registration Number: _____
4. How long has the Organization been in existence in the Municipality? _____
5. How many members does the Organization have in the Municipality? _____
6. Is the charity a member of the OLG-recognized member Charitable Gaming Centre Association?

YES
 NO

Membership in a Charitable Gaming Centre Association recognized by OLG is a condition of receiving and maintaining the Permit.

UPON SUBMISSION OF THIS FORM, YOU MUST APPEND, WHERE REQUIRED BY THE MUNICIPALITY, THE FOLLOWING DOCUMENTS OR INFORMATION WHERE ANY CHANGES HAVE BEEN MADE SINCE THE LAST SUBMISSION TO THE MUNICIPALITY:

- governing documents (including articles of incorporation, constitution and by-laws;
- financial statements for your most recently-completed fiscal year (audited where applicable);

ocga
ontario charitable gaming association

Revenue Shares

- Monthly revenue for charities from the OLG transferred to the CGCA on 15th
- Shares to participating charities are transferred electronically as soon as possible to their designated lottery accounts
 - New Bank Account – *Designated Business Account*
- Notice of transfer sent from CGCA to Charity
- Funds must be used based on “Use of Proceeds”


39 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Revenue Shares

- Revenues are based on sales of all products in the Charitable Gaming Centre
 - Net Gaming
 - Gross Sales on other streams
- Non-Compliance has financial repercussions e.g.
 - Dress code – ¼ share per occurrence
 - One trained volunteer attending – ½ share per occurrence
 - No trained volunteers attending – 1 full share
 - Late trained volunteer – ¼ share per volunteer
- Escalating disciplinary process
- Opportunity for additional revenue (one member / no members)


40 *providing leadership - providing value - making a difference*


ontario charitable gaming association

Reporting

- Substantial reduction in reporting for charities -no event reports
- Monthly 'use of proceeds report' only
 - Itemize activity (reconciliation)
 - Separate Admin amount (status quo)
 - Must retain records
 - Completed Report
 - Copy of Bank Statement
 - Copy of cheques (front and back)
 - Copy of receipt related to cheque
 - Copy of transfer notice from association
 - Report to be filled out monthly regardless of schedule

41
providing leadership - providing value - making a difference

	4120 Yonge Street Suite 429 Toronto, Ontario M2P 2B8 Tel: (416) 224-1772 Fax: (416) 224-7000	MONTHLY REPORT TO MUNICIPALITY Charity Utilization of OLG Charitable Gaming Proceeds	PERMIT #:	
	Month Reported: _____ Year: _____	Number of Assignments : _____		
Charitable Organization:				
Address:		Municipality:	Postal Code:	
Charitable Gaming Centre Supported:		Charitable Gaming Centre Address:		
(A) Previous Period Closing Balance (Item "E" from last report):			\$ _____	
Revenue Received from CGC Participation	Date:	\$ _____		
Interest	Date:	\$ _____		
(B) Total Revenue Received:			\$ 0.00	
Administration Expenses (e.g. Bank Fees)	Description:	\$ _____		
	Description:	\$ _____		
	Description:	\$ _____		
	Description:	\$ _____		
(C) Total Administrative Expenses:			\$ 0.00	
Use of Proceeds Paid To	Chq#	Purpose	Amount	Receipt Included - Check Box
			\$ _____	
			\$ _____	
			\$ _____	
			\$ _____	
			\$ _____	
			\$ _____	
			\$ _____	
			\$ _____	
			\$ _____	
Use separate page if required			(D) Total Use of Proceeds Expenses:	\$ 0.00
(E) Closing Balance as of this Report (A+B-C-D) (closing bank balance):			\$ 0.00	
Other Comments:				

ocga
ontario charitable gaming association

Significant Change

- Big change for every partner
- Change is not easy
- Work with your partners
- Take direction from your CGCA and Charity Coordinator
- Impact to the consumer is the focus
 - Positive impact
 - Negativity is contagious – Don't feed the rumor mill
 - Be informed

43 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Significant Change

- Major Operational Changes
 - Renovations to the site
 - With the sophistication of the products
 - Security Cameras
 - Restricted Access
 - Changes to business processes
 - You will not have access to the same areas as before
 - Work with your operator in a positive way
 - This is major change for them!
 - Significant involvement of AGCO as the regulator and OLG
 - Risk Management

44 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Managing Change

- Communication
 - Communication is key
 - Charities must provide and keep up date, any and all, contact information required by the Charitable Gaming Centre Association (CGCA)
 - Mailing address for principal contact
 - Email addresses for as many members on “assignment” as possible
 - CGCA Newsletter

45 *providing leadership - providing value - making a difference*

ocga
ontario charitable gaming association

Cambridge Specifics

- Target launch date – Sept 10, 2013
- Volunteer Training
 - Wed. Sep 4th at 3:00pm and 7:00pm
 - Newfoundland Club
 - Mock Sessions prior to Launch
- BOT Dispenser launch likely October 2013

46 *providing leadership - providing value - making a difference*

Charity In New Model

	NO CHANGE	CHANGE
Eligibility	Same	
Definition of Bona fide Member	Same	
Number of Bona Fide members required		Only 2
Time Spent at centre for your assignment		In Most Cases Reduced
Type of Volunteer		Yes / More Interactive
Licence Fee per session		Eliminated
Conducts and manages event		Eliminated
Float required		None
Counting Cards		Not Required
Sell cards to Customers		Not Responsible
Reconcile & Balance Bingo		Not Required
Shortages		Eliminated
Handling of Cash / Deposits		Eliminated

Charity In New Model

	NO CHANGE	CHANGE
Assist with Verification of winners		Minor changes
Charitable Gaming Event Reports		Eliminated
Use of proceeds criteria	Same	
Use of Proceeds Reports		Similar
Customer Service Role		Increased
Assist with Keeping play area clean		More support
Building and Promoting Charity Awareness		New and a Focus
Assist with implementation of promotions		Similar
Supporting Responsible Gaming		Focused
Dress Code for volunteers		Yes

Questions

Richard Schwar, Field Coordinator, OCGA
rschwar@charitablegaming.com

Lynn Cassidy, Executive Director, OCGA
905-824-5478 or 1-877-716-7222
lcassidy@charitablegaming.com