

Calcutta Auction

TERMS AND CONDITIONS

General Provisions

A (i)

All Calcutta auctions conducted in Manitoba must be licensed by the Liquor and Gaming Authority of Manitoba (LGA) or a local gaming authority named or authorized by the Lieutenant Governor in Council.

A (ii)

The LGA may license charitable and/or religious organizations to conduct Calcutta auctions within Manitoba in accordance with Section 207 (1)(b) of the *Criminal Code (Canada)*.

A (iii)

Licenseses must follow the requirements of *The Liquor and Gaming Control Act*, associated regulations and the Calcutta Terms and Conditions. The LGA may add or change terms and conditions of a licence at its discretion.

Penalties

B (i)

Licenseses that breach any term or condition, or fail to conduct a Calcutta auction as approved by the LGA, are subject to remedial action deemed necessary by the LGA.

B (ii)

The LGA may suspend a licence at any time, with or without notice, for the breach of any term or condition or, if in the opinion of the LGA, it is in the public interest to do so.

Definitions

"**Calcutta auction**" or "**Calcutta**" means a lottery scheme associated with a competitive event in which the competitors are sold by auction to the public in attendance. The purchaser(s) of the winning competitor share a predetermined percentage of the proceeds of the sale.

General

1.01

Licenseses must ensure the honesty and integrity of the individuals involved in the conduct and operation of the Calcutta auction.

1.02

Licenseses must notify the LGA without delay about anything that has, is or is likely to compromise the honest conduct and management of their Calcutta auction.

1.03

The LGA and its representatives may, at any time before, during or after the Calcutta auction, audit or inspect anything related to the Calcutta auction. This includes, but is not limited to, event facilities, buildings, equipment, expenses, documents, records and recipients of funds.

1.04

The LGA and its representatives must be given free access at all times and must be allowed to remove anything they consider relevant to the Calcutta auction for inspection, examination or audit.

Use of Funds

2.01

Funds generated from Calcutta auctions must be used for the advancement of education, religion, health, the relief of poverty, or they must benefit the community through the promotion of sport, recreation, culture, or any other area considered appropriate by the LGA.

2.02

An organization using Calcutta auction funds to purchase, build or renovate real property must ensure the proceeds from the subsequent sale, mortgaging or other disposition of that property (at least an amount equal to the value of funds raised by the Calcutta auction) are used for a charitable or religious purpose.



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2.03

An organization using Calcutta auction funds to purchase, build or renovate property owned by the licensee must have a dissolution clause that comes into effect should the organization fold or wind up. This clause must be included as a specific provision for distribution of assets in the organization's constitution and/or in its articles of incorporation to ensure the organization's assets are used for charitable purposes upon dissolution.

2.04

An organization using Calcutta auction funds for a future capital project may place Calcutta auction funds into an interest-bearing investment or bank account until the organization has sufficient funds to begin the project. Special reporting is required while funds are invested outside of the organization's lottery bank account.

Fees & Expenses

3.01

Licence fees are set by the LGA and must be submitted as required.

3.02

Only actual and reasonable expenses are allowed and must not exceed 5% of gross anticipated revenue. Prizes and licence fees are not included in this 5% limit, unless otherwise approved by the LGA.

3.03

Licensees that own the premises in which their Calcutta auction takes place must not deduct rent as an expense.

Licence Applications

4.01

Applicants must provide all information required on the application form. In addition, the LGA may request any other information it deems necessary.

4.02

The LGA may limit the number of events held by a licensee during any specific time period.

4.03

Licensees or applicants may ask in writing, for an exemption from any term or condition and must satisfy the LGA that compliance with that term or condition would cause them unreasonable hardship.

Conduct

5.01

A Calcutta auction licence may not be transferred, assigned, lent or borrowed.

5.02

Licensees must post the following at each Calcutta auction:

- a) a copy of the current licence;
- b) all posters provided by the LGA; and,
- c) any other information required by the LGA.

5.03

The amounts of prizes and order of payout must be determined and clearly communicated to participants before the Calcutta auction begins.

5.04

People directly involved in the conduct, management or operation of the Calcutta auction cannot play.

5.05

People must be 18 years or older to participate in a Calcutta auction.

5.06

The approved application, the Calcutta Auction Terms and Conditions and the approved rules are part of the licence. Any change must be applied for and approved in writing by the LGA before being advertised or implemented. All approved amendments must be available at each event.

5.07

Calcutta auctions may only be held in the location and on the date and time specified on the licence or any subsequently-approved amendment.

5.08

Licensees must ensure advertising accurately reflects the approved licence and includes the organization's name and licence number. Advertising for prizes must identify any applicable restrictions.



Prizes and Winners

6.01

Total prizes awarded must be at least 84.5% of the gross receipts of the Calcutta auction, unless otherwise approved by LGA.

6.02

Licensees must maintain a list of winners as part of the event records, unless otherwise approved or directed by LGA.

Records and Reporting

7.01

Licensees must keep all records relating to the conduct and operation of the Calcutta auction for at least three years after the expiration of the licence, unless otherwise approved in writing by the LGA.

7.02

All Calcutta auction revenue must be deposited immediately into a separate lottery bank account. This bank account must be separate from other organizational bank accounts and used for the sole purpose of depositing and disbursing funds earned by conducting LGA-licensed events.

7.03

Licensees must make payments directly from their lottery bank account to providers of goods and services and charitable purposes as approved by the LGA. All forms of payment from the lottery bank account must be supported by invoices and/or receipts. Cash payments for expenses are only allowed if they are supported by receipts that are attached to the records for the event.

7.04

Within 60 days after the final event, licensees must:

- a) disburse all funds as approved with the licence; and,
- b) submit required financial information on approved forms;

unless otherwise approved by the LGA.

7.05

Licensees must make available to the public on request, information regarding the charitable use of Calcutta auction revenue.

7.06

Licensees must provide the LGA with supporting documentation for the use of Calcutta auction revenue upon request. This documentation must include, but is not limited to, invoice copies, receipts and written acknowledgements from each recipient.

7.07

Upon written request from the LGA, the licensee must provide an independent audited financial statement or financial review of their Calcutta auction operations.