

# Sports Draft

## TERMS AND CONDITIONS

### General Provisions

#### A (i)

All sports drafts conducted in Manitoba must be licensed by the Liquor and Gaming Authority of Manitoba (LGA) or by 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 sports drafts 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 Sports Draft 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 sports draft 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

“**sports draft**” means a lottery scheme where a prize(s) is awarded or given away by selling a chance of winning to a number of persons for a fraction of the value of the prize(s) and participants may exercise some choice in the particulars of their entry. A winner is determined contingent on the performance of players, chosen by the participant, during a series of sporting events

“**series of sporting events**” means a series of athletic competitions at a provincial, interprovincial, national or international level, as approved by the LGA

“**ticket**” means a card or slip of paper which the holder has purchased in a sports draft as proof of their chance to win

### General

#### 1.01

Licenseses must ensure the honesty and integrity of the individuals involved in the conduct and operation of the sports draft.

#### 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 sports draft.

#### 1.03

The LGA and its representatives may, at any time before, during or after the sports draft, audit or inspect anything related to the sports draft. 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 sports draft for inspection, examination or audit.

### Use of Funds

#### 2.01

Funds generated from sports drafts must be used for the advancement of education, religion, health or 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.



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## 2.02

An organization using sports draft 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 sports draft) are used for a charitable or religious purpose.

## 2.03

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

## Fees and 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 10% of gross anticipated revenue. Prizes, ticket printing and licence fees are not included in this 10% limit.

## 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

Applicants must ensure enough funds are available to award all prizes offered. Applicants may be required to provide a prize guarantee in a form satisfactory to the LGA.

### 4.04

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.

### 4.05

Applicants may propose additional rules, procedures, or requirements which will be reviewed and approved as long as they are not inconsistent with the Sports Draft Terms and Conditions or policies established by the LGA.

## Tickets

### 5.01

Applicants must submit a draft copy of the proposed sports draft ticket with each application. The ticket must be a two-part self-copying form and must include:

- a) the organization's name and address;
- b) the telephone number for inquiries;
- c) the name(s), and the starting and ending dates of the series of sporting events;
- d) the description and value of prizes, and the method in which the prize(s) will be awarded;
- e) the ticket price;
- f) the lottery licence number displayed as LGA-\_\_\_SD;
- g) the total number of tickets printed;
- h) the ticket number;
- i) the ticket sales closing date;
- j) names of each player, and their team, if applicable;
- k) the purchaser's name, address, telephone number and signature;
- l) the rules for choice of players, point accumulation, method of resolving ties, and final date entries must be received to be eligible for participation;
- m) name of publication in which standings will appear; and,
- n) any other approved rules as specified in 4.05.

Any other format may be submitted for consideration with each application and must be approved in writing by the LGA.



### 5.02

Tickets must be consecutively numbered with an identifiable beginning and end.

### 5.03

Each sports draft ticket must be sold individually for the price indicated. Multiple discounted prices will only be allowed if a way of ensuring financial accountability is provided in writing by the applicant, and approved in writing by the LGA.

### 5.04

Tickets cannot be printed in newspapers or any other type of print media. Order forms to obtain a ticket may be printed. When an order form is used, the rules of the sports draft must be printed with the order form, including rules for late submission of orders or tickets.

## Conduct

### 6.01

A sports draft licence may not be transferred, assigned, lent or borrowed.

### 6.02

Licensees must post or have available to potential purchasers during sales or to participants when requested:

- a) a copy of the current licence; and,
- b) the rules for the sports draft (as specified in 4.05).

### 6.03

Only sports drafts based on individual players can be licensed.

### 6.04

Licensees must establish procedures to ensure each ticket is reviewed upon receipt to verify compliance with sports draft rules.

### 6.05

The original ticket must be retained by the purchaser and the copy retained by the licensee.

### 6.06

No person can, except in the lawful conduct and management of or lawful participation in the licensed sports draft, deface, damage, separate, alter, place any marking upon or in any way tamper with any ticket, device, equipment or game used in and for the purposes of the licensed sports draft.

### 6.07

Licensees must submit the following to the LGA for final approval before ticket sales can begin:

- a) a printed sample ticket identical in content and format to the approved draft ticket including the licence number issued; and,
- b) a copy of the printer's invoice indicating the total number of tickets printed for the lottery.

### 6.08

All sales must cease no later than:

- a) for a regular season, the fourth Friday after the regular season starts;
- b) for a playoff series, before the playoffs start; or,
- c) for any other series of sporting events, on a date approved by the LGA.

### 6.09

If the series of sporting events starts or ends on dates other than anticipated, the sports draft shall be operated on the altered dates of the series of sporting events, except if the series of sporting events is cancelled before it starts. The term of the licence shall accommodate the change in dates.

### 6.10

Standings must be based on official statistics provided by the appropriate league office.

### 6.11

Persons directly involved in the conduct, management or operation of the sports draft cannot play.

### 6.12

Individuals must be eighteen years or older to participate in a sports draft.

### 6.13

The approved application, the Sports Draft 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.

### 6.14

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

### 6.15

Licensees must not sell or advertise sports draft tickets outside Manitoba.



## Prizes and Winners

### 7.01

Sports draft tickets cannot be awarded or given away as a bonus or prize unless a way of ensuring financial accountability is approved by the LGA.

### 7.02

All prizes offered in the sports draft must be awarded as approved with the licence.

### 7.03

Licensees must maintain and make publicly available a list of all entrants and their point scores. For a regular season sports draft, all standings must be published mid-season. Final prize winners' names and point standings must be published within 10 days after the end of the series of sporting events.

### 7.04

Retail value of all prize(s) must be at least 20% of the approved total ticket value and cannot exceed \$3,000.

### 7.05

After the publication of winners' names, the licensee must wait two weeks before awarding prizes to allow for any challenges to individual standings. If there is a challenge, the LGA must be notified before the licensee responds to the challenge, or awards any prizes.

### 7.06

Winners must be advised of the results of the sports draft within 21 days of publication. This notice must explain how the prize can be claimed.

### 7.07

Prizes unclaimed after 90 days following publication of the winners' names shall be disposed of by following the order of prize winners as approved with the licence. Licensees must all notify the LGA in writing of all relevant details of such disposition.

### 7.08

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

## Records and Reporting

### 8.01

Licensees must maintain complete records of the sports draft. These records must include, but are not limited to:

- a) sales and distribution records;
- b) lists of all entrants and their point standings; and,
- c) lists of winners and final point standings

### 8.02

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

### 8.03

All sports draft 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.

### 8.04

Licensees must make payments directly from their lottery bank account to the 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 payment for expenses at an event are only allowed if they are supported by receipts retained with the records for the event.

### 8.05

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.

### 8.06

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

### 8.07

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

### 8.08

Upon written request from the LGA, licensees must provide an independent audited financial statement or financial review of their sports draft operations.