



# Auction-Style Raffle Guideline

## What is a Raffle Lottery?

A raffle is a lottery scheme where tickets are sold for a chance to win a prize in a draw.

## What is an Auction-Style Raffle?

An "Auction-style" raffle is a raffle in which a series of draws is made during a single event, with one prize for each draw. Elements of the game use terminology and actions reminiscent of an auction, but the game does not involve the purchase and sale of items at agreed-upon prices as in an ordinary auction setting.

**Links to Alcohol and Gaming Commission of Ontario's Lottery Licensing Policy Manual – Chapter 5 Raffles:**

[https://www.agco.ca/sites/default/files/chap5\\_0.pdf](https://www.agco.ca/sites/default/files/chap5_0.pdf)

**Link to AGCO Info *Bulletin No. 84* - Auction-Style Raffles:**

<https://www.agco.ca/bulletin/2017/info-bulletin-no-84-auction-style-raffles>

**Links to AGCO LLPM forms:**

Application to Manage and Conduct a Raffle Lottery:

[https://www.agco.ca/sites/default/files/6004\\_g.pdf](https://www.agco.ca/sites/default/files/6004_g.pdf)

Lottery Report:

[https://www.agco.ca/sites/default/files/6347\\_g.pdf](https://www.agco.ca/sites/default/files/6347_g.pdf)

Lottery Licence Terms and Conditions:

[https://www.agco.ca/sites/default/files/4240\\_g\\_2.pdf](https://www.agco.ca/sites/default/files/4240_g_2.pdf)

Raffle Licence Terms and Conditions:

[https://www.agco.ca/sites/default/files/6004a\\_g.pdf](https://www.agco.ca/sites/default/files/6004a_g.pdf)

**NOTE: All proceeds from the raffle must go to the Licensee (eligible organization) conducting and managing the event and must be used for the approved purposes detailed in the lottery licence application.**

## Licence Application Checklist

*These items must be enclosed with each Licence Application form. (Do not send separately):*

- Licence fee** - 3 % of total prizes to be awarded (see if applicable to Council exemption C-05-12-/09/2013)
- Completed Application form** – submit 2 weeks in advance of draw
- A fully completed application must include:**
  - Location, date & time of the proposed draw
  - The price of the tickets and the series of ticket numbers to be used
  - Rules of Play for the draw
  - copies of all receipts and invoices for items purchased for raffle, if required
  - a complete list of prizes, with their full retail value (plus taxes)

## Licence Report Checklist

- Lottery Licence Report 6347 - **due 30 days** following draw
- Deposit slips for licensed period
- List of winners

## Is your organization eligible for lottery licensing?

First-time applicants must complete an eligibility application and submit supporting documentation. – contact the Clerks Department for further information or visit

[http://town.petrolia.on.ca/wp-content/uploads/2014/08/2013\\_information\\_for\\_new\\_lottery\\_licencee.pdf](http://town.petrolia.on.ca/wp-content/uploads/2014/08/2013_information_for_new_lottery_licencee.pdf)

## RULES OF PLAY

Applicants for a licence shall indicate the detailed procedures to be followed for all draws and for all prizes to be awarded. Rules of play shall be made available to ticket purchasers if requested. The following information will assist lottery applicants develop rules of play.

*This is intended as a guide only. Occasionally, additional information may be requested by the Clerks Department. For further assistance contact (519) 882-2350 or email [clerksdepartment@petrolia.ca](mailto:clerksdepartment@petrolia.ca)*

### Sample Rules of Play

- Participants must be 18 years of age or older to purchase a lottery ticket and claim a prize;
- Roll tickets are used – the set price per ticket is \_\_\_\_\_ ( ie: 25 cents per ticket)
- Tickets may be purchased by cash sale only;
- Participants must be present at the draw to be eligible to win a prize;
- The “Auctioneer” (*the person that facilitates each round of play by announcing opportunities to “bid”*) prior to the selling of tickets for a particular prize, will announce the value of the prize and how many tickets are required per “bid” to participate in the draw. Participants may purchase as many tickets as they wish. Where a “bid” requires more than one ticket, participants must provide a number of
  - tickets that corresponds to the number of “bids” they seek to enter. Fractional “bids” are not permitted. For example, if a single “bid” requires two tickets, a participant must provide two tickets for a single “bid” and four tickets for two “bids.” In this example, entering three tickets is
  - not permitted.
- Prior to each draw, the type of ticket to be used in the round of play (for example, the colour of the tickets, or the numerical range of the tickets) will be announced.
- For entertainment purposes only, each participant in an Auction-style raffle may be given a “paddle” or other device at no cost. Paddles are used by the participants to signal to the “Auctioneer,” that the participant wishes to enter the draw.
- Admission to an event does not require participation in the Auction-style raffle.
- The Winner is determined by drawing a ticket at random from the container and matching the number of the drawn ticket to a numbered bid paddle held up by a participant.
- Several prize items may be offered at the Auction-style raffle, with one draw per item.
- All funds generated by the Auction-style raffle go to the licensee conducting and managing the event and must be used for the approved purposes detailed in the licence application.

**SAMPLE ONLY**

**ORGANIZATIONS COMPLETED VERSION TO BE SUBMITTED WITH RAFFLE APPLICATION FORM and RAFFLE REPORT**

Total number of tickets required	Value of item
1	\$10-20
2	\$21-30
3	\$31-40
4	\$40+

1 ticket for  
 \_\_\_\_\_  
 (ie: \$0.25)

Item	Value	Tickets required to participate	Donated	Purchased	Winning ticket number	Winner's name
<b>TOTAL VALUE</b>						



## Info Bulletin No. 84 - Auction-Style Raffles

Interest has grown in a style of raffle that uses some of the elements of an auction for entertainment purposes. While the raffle outcome still depends on the random selection of a winner, some elements of the game use terminology and actions reminiscent of an auction setting.

Devices such as auction-style paddles and mock “bidding” for the purchase of raffle tickets may be used to increase the fun for players. Unlike a real auction, in an “Auction-style” raffle the “bidding” has no bearing on the selection of the raffle winner.

Like other raffles, an Auction-style raffle must be conducted fairly and with integrity. The funds generated must be used for eligible charitable purposes only. Therefore, in addition to the general policies for raffles as published in the *Lottery Licensing Policy Manual*, the Registrar has devised the following policies for running Auction-style raffles.

### Auction-Style Raffles: Explanation and Rules of Play

#### Definition

An “Auction-style” raffle is a raffle in which a series of draws is made during a single event, with one prize for each draw. Elements of the game use terminology and actions reminiscent of an auction, but the game does not involve the purchase and sale of items at agreed-upon prices as in an ordinary auction setting.

#### Overview of play

In an Auction-style raffle, participants “bid” by indicating that they wish to enter the draw. A “bid” is the participant’s entry into a draw. During play, the opportunity to enter a “bid” will be announced. Prior to conducting the draw, the licensee may announce additional opportunities to enter the draw by inviting additional entries in an “auction style”; that is, by soliciting second “bids,” third “bids,” and so on until no further participants want to increase their number of entries for the draw. When no further entries are forthcoming, the opportunity to enter the draw is closed and a draw is made from all tickets entered.

#### Rules of play

1. Licensees must require that tickets be used for the draw.
2. Each ticket must have a set price (e.g., 50 cents per ticket). The only cost of participating in an “Auction-style” raffle is the cost of entering the draw through the use of tickets.

3. The licensee may use stub or roll tickets. Where events will include multiple draws, the licensee may choose to have a set number of tickets per draw or may choose to allow participants to allocate tickets over a series of draws during the course of the event. Prior to each draw, the type of ticket to be used in the round of play (for example, the colour of the tickets, or the numerical range of the tickets) must be announced.
4. The licensee must announce, prior to the selling of tickets for a particular prize, the value of the prize and how many tickets are required per “bid” to participate in the draw. Participants may purchase as many tickets as they wish. Where a “bid” requires more than one ticket, participants must provide a number of tickets that corresponds to the number of “bids” they seek to enter. Fractional “bids” are not permitted. For example, if a single “bid” requires two tickets, a participant must provide two tickets for a single “bid” and four tickets for two “bids.” In this example, entering three tickets is not permitted.
5. For entertainment purposes only, each participant in an Auction-style raffle may be given a “paddle” or other device. Licensees must not sell or otherwise charge any fee whatsoever for a “paddle” or similar device. Paddles are used by the participants to signal to the “Auctioneer,” that is, the person that facilitates each round of play by announcing opportunities to “bid,” that the participant wishes to enter the draw.
6. Admission to an event does not require participation in the Auction-style raffle.
7. The Winner is determined by drawing a ticket at random from the container and matching the number of the drawn ticket to a numbered bid paddle held up by a participant.
8. Several prize items may be offered at the Auction-style raffle, with one draw per item.
9. Each prize may consist of a single item or several items bundled as a single prize (for example, a gift basket).
10. The prize items must be in the possession of the licensee before the draws take place.
11. Prize items may be donated to or purchased by the licensee. However, the prizes must comply with the restriction on prizes detailed in Section 5.1.2 (9) of the *Lottery Licence Policy Manual*.
12. An approximate market value for each prize must be determined before the event. The maximum total prize value may not exceed \$10,000.
13. All funds generated by the Auction-style raffle go to the licensee conducting and managing the event and must be used for the approved purposes detailed in the licence application.

**For more information about raffles, please see:**

- [Lottery Licensing Policy Manual \(LLPM\)](#)
- [Lottery Licence Terms and Conditions \(Form 4240E\)](#)
- [Raffle Licence Terms and Conditions \(Form 6004A\)](#)