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Goderich, Branch 109

56 Kingston Street
Goderich, Ontario
N7A 3K4

Town of Goderich

December 12, 2023

Amendment to Lottery Licence

Dear Mayor Bazinet and Council.

Goderich Legion Branch 109 kindly requests an amendment to our lottery licence.

After a review of branch hall rentals, it has been determined that we now provide on a regular and consistent basis a minimum of 30 percent of rentals free of charge to local community organizations.

We are requesting an amendment to our existing lottery agreement to allow the transfer 30 percent (currently 20 percent) of revenue earned from our lottery account to our general overhead account.

Thanking you in advance for your consideration.

Matt Hoy

On behalf of President, Randy Carroll and Goderich Legion Executive

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amendments.

(See also **"2.4.1(G) Amendments to the approved uses of proceeds".**)

4. The general maintenance of their own club premises, if the premises are used for the benefit of the community, up to an amount of twenty (20) per cent of net lottery proceeds. This percentage may be increased if the facility is used free of charge by the community more than twenty (20) percent of the time (see **"2.7.4(f)(iii) General Operating and Maintenance Costs for Service Clubs and The Royal Canadian Legion and similar veterans' service organizations"** for additional information.); and
5. The costs of building construction or renovations may be eligible uses of lottery proceeds as outlined in the building fund guidelines.

Royal Canadian Legion building funds

Guidelines:

A number of Royal Canadian Legion branches provide their facilities free of charge to eligible charitable organizations. At times, the branches may need to use lottery proceeds to construct new buildings or to cover the costs of renovations. In addition to the general policies set out in **"2.8.1. Policies: Building funds"**, the Registrar has established supplemental building fund policies that apply to the Royal Canadian Legion and its branches. In addition to the usual approval from the licensing authority (who has the final decision), a branch's proposal to use lottery proceeds for building funds must be reviewed and approved by the Ontario Provincial Command of the Royal Canadian Legion.

Eligibility criteria

The licensing authority may grant approval for a branch of the Royal Canadian Legion to use up to a maximum of 50 per cent of net lottery proceeds to cover the capital costs of construction, repair or the leasehold improvement of branch buildings. Capital repairs do not include the normal painting, decorating (interior and exterior) and service calls that are included in the percentage of net lottery proceeds allowed for general maintenance of the building.

The licensing authority 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 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 licensing authority before using funds for this purpose. The licensing authority must base its decision upon need and the extent to which the

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- the amount of the mortgage required and the relevant interest rate.

The branch must mail a copy of the Notice of Motion and the date of the General Meeting at which it will be considered, to each member in good standing. The branch must also send a copy of each Notice of Motion and certified copies of the minutes of the General Meeting at which the motion was approved, to the Provincial Command.

(d) Get approval from Ontario Command for expenditures

The branch must obtain prior written approval from the Ontario Command for each expenditure from the building fund in excess of \$5,000 during the course of the fiscal year. The branch must send a copy of this approval to the licensing authority.

The Royal Canadian Legion branch must submit regular financial reports as per the terms and conditions of the lottery licence.

Royal Canadian Legion: Selling property purchased with a building fund

The branch must obtain prior approval from the licensing authority before selling or mortgaging any property acquired or renovated through a building fund made up of lottery proceeds. The branch must prepare a document outlining the value of the lottery proceeds applied to the building fund.

When the property is sold, the branch must calculate the value of the lottery funds contributed to the building fund and must direct that amount of money to other eligible charitable organizations in the community. The branch may reduce this amount by the amount of money the branch could have made on an annual basis by renting the facility instead of providing it free of charge (foregone revenue).

Please note that if the sale occurs after the obligation has been reduced to zero, the branch does not have to distribute any funds from the sale of the property to charitable organizations in the community.

2.7.4(f)(iii) General Operating and Maintenance Costs for Service Clubs and The Royal Canadian Legion and similar veterans' service organizations [Updated February 2023]

Service Clubs, and the Royal Canadian Legion and similar veterans' service organizations are permitted to use lottery proceeds for general operating and maintenance costs in certain circumstances.

General operating and maintenance costs may include:

- Municipal taxes;
- Utilities;
- Liability insurance on the building; and
- Cleaning and general maintenance.

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Eligible use of proceeds for general operating and maintenance costs may include the following:

1. If the premises are used for the benefit of the community, the Service Club, Royal Canadian Legion branch, or similar veterans' service organization may use up to twenty (20) per cent of net lottery proceeds for general operating and maintenance of their own branch premises.
2. If the premises is used free of charge by charitable organizations more than twenty (20) per cent of the time, the licensing authority may increase this maximum allowable amount to a percentage proportional to the time the facility is used free of charge for eligible charitable purposes.

Please note that the twenty (20) per cent of net proceeds allowed for general maintenance is in addition to the percentage of gross receipts a licensee is permitted to retain from the licensed lottery events in order to cover the costs of conducting and managing the event.

For example, in a small community, the Service Club or Royal Canadian Legion may be the only hall in town. The community may use the facility extensively for meetings, classes, community programs, daycare and general community activities. The licensing authority must decide on a case-by case basis the extent to which the hall is used free of charge by other organizations.

3. If the Service Club, Royal Canadian Legion branch, or similar veterans' service organization owns their own facility and runs a lottery event in that facility, the service club, Royal Canadian Legion branch, or similar veterans' service organization may reimburse themselves for the expense of "renting" their own facility:
 - Rent must be consistent and reasonable.
 - Rent reimbursements are not subject to use of proceeds restrictions described in *Section 2.4.1 – Policies: Eligible Use of Proceeds*, and may be used towards operating and maintenance costs.
 - Prior approval is not required from the licensing authority for this allowance.

The licensing authority can use the examples that follow to assist in determining the amount allowed for building maintenance costs:

1. Example 1 is a form for the organization to fully complete and submit back to the licensing authority where the organization is requesting more than 20% of net proceeds for general operating and maintenance.
2. The licensing authority then applies the information provided in the form to calculate the amount allowed using the calculation provided in Example 2.