

Th Rotary Clubs of Niagara Falls and Niagara Falls Sunrise;

Purpose of the report:

- To explain the Catch the Ace Lottery
- To explain how the steering committee would suggest we manage to profit from the presenting the Lottery
- To provide the opportunity for the Boards to review the proposal and approve holding the lottery in 2018

Agenda

- What is Catch the Ace?
- How would we operate the lottery?
- Manpower required
- Budget
- Revenue Forecast per Lottery
- Rules and Regulations
- Additional Considerations

Motion

What is Catch the Ace?

Catch the Ace is a Progressive 50/50 Lottery. Tickets are sold in multiple weekly draws, until the winner draws an Ace of Spades from a single deck of cards. For each draw, including the winning draw, 50% of the receipts is retained by the License hold, 20% of the receipts is given to the person who won the right to draw for the Ace, and 30% is retained in a pool until the Ace of Spades is drawn and the pool is given to the person drawing it.

Winners need not be present at the draw. Prior to the first draw, all playing cards are inserted into a sealed envelope, randomly sorted and then the envelope is numbered, 1 to 52. The serialized tickets sold for each draw, will have a space for the purchaser to place a number from 1 to 52. If the purchaser's ticket is drawn and they are not present, the envelope with their number is selected. If the number has been drawn in a previous draw, the rules state the envelope with the next highest number will be assigned to the draw.

Only if the person drawing selects the Ace of Spades do they get the progressive pool of funds. If this occurs; the game is over.

How we would recommend operating the Lottery!

The AGCO set very specific rules on the Lottery. One rule is that if the lottery proceeds are planned to be over \$50,000, a more rigid form of regulations need to be met. If the proceeds are under \$50,000, we only need to acquire a license from the City. The steering committee has decided that we should try the lottery using the less rigid regulations.

The lottery has a chance of requiring 52 draws. Although this would be a windfall in proceeds it would exceed the license allowance. We therefore must control the price of a ticket, the number of tickets sold, and the number of draws we have. Using a very reasonable price of \$10 per ticket, selling 1,000 tickets a week, the Licence Maximum is reached in 10 weeks. This is an average of 13 tickets per Rotarian. The AGCO allows us to limit the number of draws by setting the number of draws in the rules and if the ace of spades is not draw the last draw must continually draw until a winner is declared. The steering committee has decided that at \$10 per ticket, we could sell 1000 tickets per week, and conclude in 10 weeks.

By planning on a max of 10 weeks, the steering committee would like to have the lottery twice a year, with the final draw first at the Rotary Ribfest and secondly at the Lobster fest. We recognize that there will be less tickets sold for the first few weeks of the draw. If we sell less than 1,000 tickets in the initial weeks we can sell more tickets in the last draw, where there will be more demand.

Historically the Catch the Ace draws has been done at a weekly draw in a local facility. The draw invited people to attend at the facility, yielding an additional revenue from the sale of Food and/or Beverages. The draw of this type unfortunately requires more manpower to operate. The steering committee has therefore decided for these trial efforts all draws will be done and broadcast over the internet. AGCO has approved this process. The restriction is that we can not sell tickets online, so we still need Rotarians to sell tickets. The process is to video tape all draws and post the videos on YouTube with a link from our own Web Page. The Committee has investigated the availability of the Shriner's club on North St. It is available Tuesday afternoons, so we can do the draw weekly right after the Noon hour club's meeting. The club has internet so that video can be up-loaded and posted as required immediately after the draw.

AGCO regulations specify that if there are more than one participating organization in the lottery, one club must be declared the principle club and hold the License. A single bank account must be established for the lottery and all payments of proceeds from the account must go directly to an Ontario based charity or organization in need. This means that a cheque can not be issued for each club's share of the proceeds. Proceeds must go directly to the 'charity'. The committee therefore suggest that the Rotary Club of Niagara Falls assume responsibility for the Spring Lottery and the Rotary Club of Niagara Falls be responsible for the Fall Lottery.

Personnel Required:

RACI Chart *

TASK	POSITION						
	Club A Chair	Club B Chair	Video Person	Website Designer	Tickets	Sales Club A	Sales Club B
	1	2	3	4	5	6	7
Legal:							
• Report & Audit:	☑R	A	I		C		
• Banking	A	☑R	I		C		
• License	A	☑R	C		I		
• Ticket and Envelope Registration	☑R	A	I		C		
Technical							
• Video Taping	I	C	☑R	A			
• Web Design	C	I	A	☑R			
• Web Site updating	C	I	☑R	A			
Sales							
• Printing Tickets	C	I			☑R	A	
• Ticket Distribution	I	C			☑R		A
• Registering Ticket Sales to Clubs	I	C			☑R	A	A
• Club Ticket Sales	I	C			A	☑R	☑R
• Draw	C	I			A	☑R	☑R

Reference: <https://project-management.com/understanding-responsibility-assignment-matrix-raci-matrix/> * Modified

☑R - Responsible – Who is completing the task.

A – Assisting* - Who is knowledgeable and capable to help complete task(s).

C - Consulted – Who will be communicated with regarding decisions and tasks.

I - Informed – Who will be updated on decisions and actions during the project.

Conclusions:

- Central Committee requires seven (7) persons
- The Committee should be co-chaired with a person from each club
- Co-Chairs will be responsible for Legal and Banking Issue
- There will be two (2) persons on a separate Technical Sub-Committee
- Weekly draw will require a minimum of three (3) persons
- The Sales (and Ticket) committee shall consist of three (3) members; two (2) of which will be a Club Sales Captain for each separate club

The Budget:

License		\$1,500	Revenue	\$ 50,000
Web site		60		
Host Web			Expense	4,390
Site	\$15 / mo	180	Proceeds	\$45,610
Advertising		2,000		
Tickets	\$65 /1000/wk	\$650		
		Total		\$4,390

Revenue Forecast per Lottery:

Assumptions: 1000 tickets at \$10 each for 10 Weeks

1000 Tickets/wk \$10 each					
Week	# sold/wk @ Price	cumulative Sales	weekly 20%	cumulative 30%	Club Proceeds
1	\$10,000	\$ 10,000	\$ 2,000	\$ 3,000	\$ 5,000
2	\$10,000	\$ 20,000	\$ 2,000	\$ 6,000	\$10,000
3	\$10,000	\$ 30,000	\$ 2,000	\$ 9,000	\$15,000
4	\$10,000	\$ 40,000	\$ 2,000	\$ 12,000	\$20,000
5	\$10,000	\$ 50,000	\$ 2,000	\$ 15,000	\$25,000
6	\$10,000	\$ 60,000	\$ 2,000	\$ 18,000	\$30,000
7	\$10,000	\$ 70,000	\$ 2,000	\$ 21,000	\$35,000
8	\$10,000	\$ 80,000	\$ 2,000	\$ 24,000	\$40,000
9	\$10,000	\$ 90,000	\$ 2,000	\$ 27,000	\$45,000
10	\$10,000	\$100,000	\$ 2,000	\$ 30,000	\$50,000

The above Yields a maximum allowable under the License provided by the City of Niagara Falls. Following shows Proceeds per club if sales average different

Proceeds Per Club										
Ave Tickets sold /wk	Weeks of draw									
	1	2	3	4	5	6	7	8	9	10
1000	\$2,500	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000
900	\$2,250	\$4,500	\$6,750	\$9,000	\$11,250	\$13,500	\$15,750	\$18,000	\$20,250	\$22,500
800	\$2,000	\$4,000	\$6,000	\$8,000	\$10,000	\$12,000	\$14,000	\$16,000	\$18,000	\$20,000
700	\$1,750	\$3,500	\$5,250	\$7,000	\$8,750	\$10,500	\$12,250	\$14,000	\$15,750	\$17,500
600	\$1,500	\$3,000	\$4,500	\$6,000	\$7,500	\$9,000	\$10,500	\$12,000	\$13,500	\$15,000
500	\$1,250	\$2,500	\$3,750	\$5,000	\$6,250	\$7,500	\$8,750	\$10,000	\$11,250	\$12,500
400	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000
300	\$750	\$1,500	\$2,250	\$3,000	\$3,750	\$4,500	\$5,250	\$6,000	\$6,750	\$7,500
200	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$3,500	\$4,000	\$4,500	\$5,000
Price	\$10									

 = Net Loss

Rules and Regulations (draft):

- The Rotary Club of Niagara Falls and the Rotary Club of Niagara Falls Sunrise, hereafter referred to as the Rotary Clubs of Niagara Falls, have joined together for this Rotary Catch the Ace Fundraiser.
- The principle License holder for this draw is the Rotary Club of Niagara Falls Sunrise.
- Tickets will be sold by Rotary Members. **And assigned agents**
- Nine (9) ticket draws will be held at the Shriner’s Hall, North Street, Niagara Falls Ontario
- If a 10th Draw is required, it will be held at the Sunday of the annual Rotary Ribfest. DATEXXXXXX
- Individuals will be limited to purchasing no more than **three tickets per day**.
- There will be 10 Draws done weekly with a total number of tickets printed at 10,000.
- The number of tickets printed for any draw will never be less than 1000. The number of tickets printed for each draw can progressively increase, but total tickets sold for all draws are not to exceed 10,000. The number of unsold tickets from previous round(s) can be carried over to subsequent draws. Sales shall not exceed the set limit for each week plus the carryover count. Tickets from future rounds cannot be used.
- Maximum prize total to be awarded CDN\$50,000.
- The available/remaining envelope numbers (cards) will be prominently displayed in the web site.

- Ticket stub will include space for name, address, phone number, email address and the number of the envelope they would like opened if their stub is drawn.
- Only the envelope number stated on the ticket shall be opened. In the event the owner of the winning stub drawn is in attendance and requests a change, only the envelope number stated on the ticket shall be drawn.
- In the case that the stub drawn does not have an envelope selected, the number is illegible or ambiguous, the lowest numbered available envelope will be opened.
- In the case that the envelope selected on a drawn stub has already been opened, the next higher numbered envelope shall be opened. If there are no higher numbered envelopes available, then selection will restart at the lowest envelope number (Number one (1) or the next highest in sequence starting at envelope number one).
- The purchaser of the winning ticket is not required to be in attendance.
- The name on the ticket will be deemed the Ticket Holder. Any or all prizes will be awarded to the Ticket Holder.
- All winners will be notified by phone at the time of the draw. Non responsive winners will also be notified by mail and email (if addresses provided).
- Winning name, ticket number, envelope selected and card revealed will be posted:
 - On the Lottery web site.
 - A local newspaper
- Winners have up to one year after the date of the draw to claim their prize.
- Tickets must be purchased with cash. No credit card or cheques may be accepted. Under no circumstances will unpaid tickets be entered into the draw.
- In the case of shared tickets, it will be the responsibility of the Ticket Holder to allocate the prize as necessary.
- Two-part numbered stub tickets will be sold at a cost of \$10 per ticket.
- Each purchaser is responsible for checking their purchased ticket(s) at time of purchase to ensure tickets have been properly separated, numbers are legible and that they have chosen an available envelope #.
- Winners must agree to the use of their name and likeness for publicity purposes by The Rotary Clubs of Niagara Falls.
- Ticket purchasers must be a minimum of 18 years of age. Tickets cannot be purchased on behalf of a person less than 18 years of age.
- All prizes will be paid by cheque. The Rotary Clubs of Niagara Falls will be responsible to ensure that the winnings be made available to the winner within 5 business days of winner verification.
- Distribution of weekly prizes in relation to income from ticket sales:
 - 20% will be awarded to the winning ticket holder
 - 30% will be added to the Prize Pool
 - 50% will go to the Brentwood Recovery Home (Registered Charity # XXXXXXXXXXXXXXXX)
- All winners are contacted by telephone, mail or in person. Winners of prizes valued at over \$999 CDN will be instructed that they must present their ticket in person to a representative of the Rotary Clubs of Niagara Falls. (In the case of out of town winners of prizes over \$999 CDN or others who are unable to travel, will be required to send the original winning ticket and copy of appropriate government issued identification prior to

the prize being awarded.). Prizes valued at under \$999CDN shall be mailed directly to the ticket holder and address indicated on the stub.

- By purchasing a ticket, winners agree to the use of their name and likeness for publicity purposes by The Rotary Clubs of Niagara Falls.
- The Rotary Catch the Ace committee members, including their immediate families living at the same residence and volunteers participating in the current week's draw are not permitted to purchase tickets.
- Please Gamble Responsibly. Ontario Problem Gambling Helpline (1-800-230-3505) shall appear on all tickets.
- The liability of the licensee of this lottery shall be limited to the purchase price of the ticket.

Draw Preparation:

- A standard deck of 52 playing cards will be shuffled face-down, then placed in identical, opaque envelopes.
- The sealed envelopes will then be shuffled and randomly numbered from one (1) to fifty-two (52).
- The entire procedure will be video taped and the recording posted on the website and retained for 6 months.
- The envelopes will be on display in a secure display case for every draw.

Draw Procedures:

- All aspects of the draw will be video taped to ensure a record of the stub draw, confirmation of winning stub, selection of the envelope and subsequent destruction of the card in the selected envelope.
- After the close of ticket sales, just prior to the draw, the following will be announced:
 - Number of tickets sold that week.
 - Current evenings prize amount (20% of same-week sales)
 - Catch the Ace accumulated jackpot (including 30% of current draw sales)
- Once all tickets have been secured in the drum, the drum will be rotated a minimum of three times.
- One winning stub will be drawn under the supervision of a bona-fide member of the Rotary Catch the Ace Committee. The bona-fide member or the person drawing the ticket will not have ticket(s) in their name, nor an interest in any ticket for this draw.
- For each round the original sealed deck of 52 cards will be used. The remaining unopened envelopes, previously chosen envelopes and cards will be on display in a secure case.
- Once the winning stub is drawn. The envelope indicated on the stub will be opened (in clear view of the winner and the public) to reveal the enclosed card.
- Only the envelope number stated on the ticket shall be opened. In the event the owner of the winning stub drawn is in attendance and requests a change, only the envelope number stated on the ticket shall be drawn.
- In the case that the stub drawn does not have an envelope selected or the number is illegible or ambiguous, the lowest numbered available envelope will be opened.

- In the case that the envelope selected on a drawn stub has already been opened, the next higher numbered envelope shall be opened. If there are no higher numbered envelopes available, then selection will restart at envelope number one (or the next highest in sequence starting at envelope number one).
- If the Ace of Spades is not chosen, the ticket holder will be awarded only the current evening's prize. The selected ticket will be cut in half and kept by Brentwood to be displayed at subsequent draws. The "deck" (this refers to both selected and unselected envelopes/cards) will be secured and locked onsite at the Brentwood Recovery Home. This will continue weekly until the Ace of Spades is chosen.
- In the event the Ace of Spades is selected on the first draw of a round the winner will be awarded both the current evening's prize amount and the accumulated jackpot. The event and the licence are then concluded.
- Week (Round) number 10 shall be the last draw. The draw will commence normally with the draw of one ticket. The ticket holder will be awarded that day's prize and the envelope indicated on the stub will be opened in hopes of finding the Ace of Spades. Only the first winner will be awarded the day's prize. If the Ace of Spades is not uncovered, another stub will be drawn and that ticket holder's indicated envelope will be opened. This will continue until the Ace of Spades is drawn and the accumulated pot awarded. The event will then be considered as concluded.
- Tickets are valid only for the draw they are purchased for. Once the draw is complete, the non-winning tickets are removed from the draw container and a new series of tickets will be sold for the next draw date.
- The ticket sequence used that week and the winning ticket number will be entered into the "Ticket Log". Subsequently, the stubs will be removed from the drum, placed into sealed containers and retained in a secured area for a minimum of 30 days. Winning tickets will be retained until 30 days after the conclusion of the licence.
- To avoid duplicate numbered tickets, two-part stub tickets will be printed beginning at the number one. Numbering will continue until the raffle is concluded. Tickets will be sold consecutively for each draw. The first and last ticket sold for that draw will be recorded in the sales log.
- Video recordings will be copied after the event and the copies will be secured in a safe on-site for a minimum of 30 days.

Special Circumstances:

- In the event of storms, power outages or other catastrophic event(s) which cause a cancellation, the raffle will continue as usual on the following regularly scheduled draw day.

Additional Considerations:

- If Sales are 20% below the 1,000 per week, we can sell up to 2,800 tickets for the last week
- Perhaps an additional person would be required just for marketing
- If the draws go to the 10th week, we should consider soliciting donations for prizes to people that get to draw for an ace of spades but don't get it. . (ie table of 43 prizes.) This would require more personnel to organize.
- Would it be best to have all the proceeds from this lottery go to one single 'need'? Every Lottery could be assigned to a different organization in need. Examples The community outreach Kitchen, project Share, The new Hospital, The Boys & Girls club, etc... (must be a Niagara Falls organization???)

Motion:

Moved that:

- the Rotary club of Niagara Falls Sunrise accept the report of the Catch the Ace Steering Committee.
- The Board of Directors of the club supports the establishing of a Catch the Ace committee to operate a Catch the Ace Lottery in 2018 culminating its 10th draw at the annual Rotary Ribfest.
- If this first lottery is deemed successful with proceeds of \$20,000 split between the two rotary clubs, the committee may proceed to do the second lottery in the Fall of 2018. Otherwise the committee must seek approval to proceed by the Board.