

What is a trust account and why does my organization need one?

A licensed organization must open and maintain a separate lottery trust account to deposit proceeds derived from lottery events as these funds must be kept separate from the general funds of the organization. The account must be designated by the branch of a recognized financial institution as a trust account, it must be in Canadian Funds and the fact that it is a trust account must be stated on the face of the cheques.

If a licensed organization conducts more than one type of lottery scheme, it may have one trust account for each type of lottery or one designated trust account for all lottery proceeds. If the licensee chooses to only have one designated trust account, a separate ledger must be kept for each type of lottery event and for each license issued.

The trust account(s) must:

- Be a chequing account;
- Require at least two (2) authorizing signatures;
- Be held in the name of the licensee, in trust;
- Have duplicate deposit slips, with one copy kept for the licensee's records;
- Issue monthly statements; and
- Return cancelled cheques with the monthly statement.