

Policies on Raffles, Lotteries, & “Free Drawings”

As with any fundraising or other programming activity,
CONTACT YOUR SOLE ADVISOR BEFORE PROCEEDING.
Some policies are more complicated than others to follow.
Your SOLE advisor is there to guide you through the process.

When thinking of fundraising activities, registered organizations often consider having a raffle or a lottery. The problem with this idea is that in the State of California, raffles and lotteries are illegal.

However, it is legal to have a “Free Drawing” **IN CONNECTION WITH AN EVENT**, and when **DONATIONS** are collected in exchange for a ticket to the drawing. This may appear like a raffle, but if the following rules are applied, it counts as a “Free Drawing” and is legal.

HERE’S HOW IT WORKS

- The Drawing must be in connection with an EVENT.
- The TICKET must have the following information on it:
 - THE DATE, TIME AND LOCATION OF THE DRAWING
 - THE NAME OF THE ORGANIZATION THAT WILL BENEFIT FROM THE DRAWING
 - THE FULL NAME OF THE ORGANIZATION THAT IS PUTTING ON THE EVENT WORDING ON THE TICKET MUST SAY: “Free Ticket” AND “You Pay Nothing in This Drawing” AND “Winner Need Not Be Present” AND “A Free Ticket may be obtained at (give address)”
 - THERE SHOULD BE NO PRICE ON THE TICKET

ADDITIONAL ITEMS YOU NEED TO TAKE INTO CONSIDERATION:

- If the organization applied for a Social Service permit in connection with the event, they will be required to provide a printers proof of the ticket before the permit is issued.
- The Internal Revenue Service does not consider the purchase of “free drawings”, raffle, or lottery tickets as donations.
- Before starting on any fundraising project, please make sure that you discuss it with your SOLE advisor.