

## **Is your non-profit considering holding a raffle?**

Many nonprofit organizations raise funds through raffles. Unfortunately, not all of them fully understand the rules governing raffles, or even that raffles are regulated and licensed in the State of Wisconsin by the Office of Charitable Gaming -- Department of Administration. Raffles not appropriately licensed and conducted in accordance with Chapter 563 of the Wisconsin Statutes may be considered an illegal lottery. A raffle license application can be obtained from the Wisconsin Gaming Commission.

There are two types of raffle licenses:

1. Class A: Used for raffles where some or all of the tickets are sold on days other than the day of the drawing.
2. Class B: Used for raffles where tickets will be sold only on the day of the drawing.

The following rules govern Class A licenses: All tickets must be identified in form and include the following:

- The raffle license number.
- The name and address of the sponsoring organization.
- The price of the ticket and the discounted price if multiple tickets are purchased.
- A place for the buyer to enter his or her name and address.
- The date, time, and place of the drawing.
- A list of each prize to be awarded having a retail value of \$500 or more.
- An identification number printed on both the buyer's and the organization's portion numbered consecutively.
- No raffle ticket may exceed \$50 in cost.
- Tickets may not be offered more than 180 days before the date of the drawing.

Class A drawings require the following:

- Must be held in public.
- Prizes must be awarded.
- The buyer need not be present to win.
- All receipts must be returned if a drawing is cancelled.
- A list of prizewinners must be provided to each ticket holder who makes a request and provides the organization with a self-addressed stamped envelope.

The following rules govern Class B licenses:

- All tickets must be identical in form. No other specific information is required and they are not required to be consecutive.
- No raffle ticket may exceed \$50 in cost.

Class B drawings require the following:

- Must be held in public with a posting announcing the time of drawing, prizes, and prize amount or methodology used to determine the prize amount.
- Prizes must be awarded.
- The buyer must be present to win or have given another person the ticket who may collect the prize on behalf of the purchaser.
- All receipts must be returned if a drawing is cancelled.

Some common mistakes made by organizations in conducting raffles include:

- Failing to obtain the license.
- Not including all required information on the ticket.
- Not having a closed universe of potential winners.
- Requiring buyers to be present to win when holding a Class A license.

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**Check out: <http://www.doa.state.wi.us/> for current information on Charitable Gaming- Raffle Information from State of Wisconsin**