

# Policy/Procedures on Conducting Free Drawings and Raffles

## Free Drawing/Opportunity Drawing

Free drawings are legal when the following rules are applied:

- The drawing must be in connection with an event.
- Prior to collecting money from potential donors you must verbally inform them that no purchase/donation is required.
- Do not use the terms raffle or lottery.
- The tickets must have the following information:
  - The date, time and location of the drawing.
  - The name of the college unit or entity that will benefit from the free drawing.
  - The name of the sponsoring organization putting on the event.
  - There should be no price on the ticket.
  - Wording on the ticket must include the words:
    - Free ticket, no donation/purchase required.
    - Winner need not be present to win.
    - Free tickets may be obtained at (give the address). Please note that free tickets should not be given out by the solicitors. There is no limit to the number of free tickets that a person may receive if they go to the given address.

The Internal Revenue Service does not consider purchasers of a Free Drawing as a raffle or lottery donor. These payments will not be recorded as donations.

## Raffles

In order to legally conduct a raffle the following rules must be adhered to:

- The raffle must be conducted by a nonprofit organization for charitable fundraising purposes.
- Each ticket must be sold with a detachable coupon or stub and both tickets must be marked with a unique and matching identifying number.
- Winner is determined from a draw of the detachable coupons or stubs of all tickets sold.
- The draw must be done under the supervision of a person 18 or older.
- At least 90% of the gross receipts generated from the raffle must go to a beneficial or charitable purpose within California.
- The nonprofit organization holding the raffle must have been qualified to conduct business in California for at least one year prior to conducting the raffle and must be exempt from taxation pursuant to Revenue and Taxation Code sections.
- No gaming machine, apparatus, or device may be used.
- Raffles may not be advertised, operated, or conducted over the internet. It is permissible to include the announcement of a raffle on the website of the organization responsible for conducting the raffle.
- The nonprofit must register with the California Department of Justice (DOJ) and receive approval prior to conducting the raffle. Application must be filed prior to September 1<sup>st</sup> of each year for all raffles being conducted.
- The nonprofit must file an annual financial report with the DOJ for each raffle conducted during the year.  
(Penal Code section 320.5)

I have read and understand the above policies and procedures and will conduct the Free Drawing and/or Raffle according to the established policies and procedures of the State Center Community College District and Fresno City College.

Signature \_\_\_\_\_ Date \_\_\_\_\_