Raffles: Questions and Answers

What is a Raffle?
A raffle is any chance drawing in which a ticket is purchased or given for a “suggested donation” for a chance to win a prize. Several names have been used to identify raffles: opportunity drawing, “La Loterie”, Chinese auction, etc. All activities meeting the definition of a raffle must be called referred to as a “raffle”. Not only does this help avoid confusion among volunteers, staff, and participants, but it also ensures that the Society complies with State raffle laws.

What is the difference between a Door Prize and a Raffle?
To participate in a raffle one must purchase a ticket. Each purchased ticket provides an opportunity to win a raffle prize. On the other hand, a door prize drawing requires no ticket purchase to participate (and no request for a “suggested donation”). All participants are given a ticket and have an equal opportunity to win. A separate document on door prizes is available to staff and volunteers.

Why does the Society need Raffle policies and procedures?
All raffles conducted by the Society or as part of a Society activity (e.g., Relay For Life, Gala, Making Strides Against Breast Cancer, Golf, Daffodil Days) must follow raffle procedures in order to ensure that the Society conducts the activity in accordance with California Department of Justice, Attorney General’s Office legal guidelines. The raffle procedures are designed to ensure that the Society does not jeopardize its ability to raise funds in California.

What items can be offered in a raffle as a prize?
Any tangible item or service may be a raffle prize as long as the item or service is not illegal or deemed inappropriate or inconsistent with Society’s image and Mission.

Are there any other restrictions on raffle prizes?
Yes. All items must be donated. We cannot buy raffle items. Purchased raffles items create a raffle expense that may make conducting the raffle illegal per State law.

No donated item or service (except those from private donors, such as use of a vacation home) can have an expiration or “must use before” date. This is ensures compliance with State law. The Society may not offer any endorsement or guarantee of any item to a raffle winner. The Society’s National policy prohibits endorsements.

Are there guidelines on the value of raffle items?
The value of a raffle prize must be less than $600. Prizes of $600 or more may trigger IRS reporting requirements. Income Development Strategic Directors must be contacted to receive approval for proposed raffle prizes greater than $600. Only the donor of an item can determine the fair market value. It is recommended that a Donor Form for Contributed Items (attached) be used to capture all information about a donated item.

Are special raffle tickets needed?
All tickets must be printed and sold with a detachable coupon or stub. Both the ticket and its associated stub must be marked with a unique and matching identifier. Ticket rolls, sold at a variety of stationery and party supply stores, will suffice.
What rules must be followed when selling tickets?

- Only Society staff and volunteers can sell tickets.
- Tickets may not be sold at any gambling establishment and may not be advertised on the internet, including RFL team pages.
- An unrequested or unsolicited ticket may not be sent or given free as an incentive to purchase one or more additional tickets.
- Payment for raffle tickets must not be receipted as a donation to the Society.

Do raffle proceeds need to be segregated from other event revenue?

Yes. Raffle proceeds must be accounted for separately. A Raffle Income Envelope is available for all events. Raffle proceeds should be placed in this envelope and handled in accordance with Society donation processing procedures and coding.

What rules govern the drawing of tickets?

- The winning ticket must be determined by a manual drawing (without the use of any gaming equipment) by a person at least 18 years old.
- Three tickets should be picked at all raffles to cover situations in which the winner declines to accept the prize.
- The prize must be accepted exactly as offered and advertised and may not be altered by the Society to accommodate winner requests.
- If the winner chooses not to accept the prize, the winner will then be the holder of the second ticket selected at the drawing.
- If the second winner declines, the prize will then be offered to the holder of the third ticket.
- If no winner accepts the prize, the drawing procedure is repeated.

How are raffle proceeds processed and reported?

Within 30 days following an event, staff must submit a Nonprofit Raffle Report to the Division office. The report form is finalized by Division staff and forwarded to the State Attorney General’s Office.