

RAFFLES AND GAMES OF CHANCE

As a general matter, raffles, lotteries and other "drawings by chance" are considered a form of gambling and prohibited by law in Florida. However, an exception to this rule applies to certain nonprofits that have obtained federal 501(c)(3) status from the Internal Revenue Service. Even with this exception, however, nonprofit organizations must still comply with all state and federal laws governing the solicitation of funds.

Considerable care should be taken when and if a PTA Board decides to conduct a drawing or raffle as a fundraiser to be certain that it is in compliance with Florida Statute, Section 849.0935. This statute governs under what circumstances charitable groups (including PTAs) may conduct drawings and award prizes. Please note there are many conditions associated with the process. For the full statute and related chapters, refer to Title XLVI Crimes, Chapter 849 Gambling, at this link:

<http://www.leg.state.fl.us/Statutes>

Gambling in Florida is broadly defined, and with certain limited exceptions, subject to prosecution. "Gambling" includes drawings, raffles, lotteries, and any other games of chance. (See Florida Statutes Section 849.08)

Florida state law provides a very narrow exception to the general prohibition on "gambling" for a drawing by chance or raffle, which is conducted by a 501(c)(3) tax-exempt organization such as PTA. There are very specific requirements that must be followed to be eligible for this exception, which are discussed below. Any other "gambling" activities undertaken would be illegal in Florida. (See Florida Statute Section 849.0935)

REQUIREMENTS TO CONDUCT A DRAWING OR RAFFLE:

Following is just a portion of the requirements that a PTA unit must comply with to be eligible for the exemption to conduct a drawing by chance or raffle. All brochures, advertisements, notices, tickets, or entry blanks used in connection with a drawing by chance shall **conspicuously disclose all of the following information:**

- The rules governing the conduct and operation of the drawing.
- The full name of the organization, and its principal place of business. (the complete name of your PTA as shown on the charter and the address of the school.)
- The source of the funds used to award cash prizes or to purchase prizes.
- The date, hour, and place where the winner will be chosen and the prizes will be awarded, unless the brochures, advertisements, notices, tickets, or entry blanks are not offered to the public more than 3 days prior to the drawing.
- That no purchase or contribution is necessary.

UNLAWFUL ACTIVITIES FOR DRAWINGS OR RAFFLES

Section 4 of Florida Statutes 849-0935 covers what would be considered unlawful activities by an organization conducting the drawing. All of the unlawful activities detailed must be avoided, but it is important to note that you cannot require an entry fee.

- To design, engage in, promote, or conduct any drawing in which the winner is predetermined by means of matching, instant win, or preselected sweepstakes or otherwise or in which the selection of the winners is in any way rigged;

- To require an entry fee, donation, substantial consideration, payment, proof of purchase, or contribution as a condition of entering the drawing or of being selected to win a prize. **However, this paragraph does not prohibit an organization from suggesting a minimum donation or from including a statement of such suggested minimum donation on any printed material used in connection with the fundraising event or drawing;**
- To condition the drawing on a minimum number of tickets having been disbursed to contributors or on a minimum amount of contributions having been received;
- **To arbitrarily remove, disqualify, disallow, or reject any entry or to discriminate in any manner between entrants who gave contributions to the organization and those who did not give such contributions;**
- To fail to promptly notify, at the address set forth on the entry blank, any person whose entry is selected to win of the fact that he or she won;
- To condition the acquisition or giveaway of any prize upon the receipt of voluntary donations or contributions.

Again, it is important to read the statute in the entirety to make sure any drawing or raffle conducted by your PTA complies fully with all of the requirements of the law.

If your members and the school approve a raffle to be held as a fundraiser, be sure to exercise good financial controls including recording the starting and ending ticket numbers for full accountability of the raffle.

FLORIDA DEPARTMENT OF EDUCATION - RAFFLE GUIDELINES FOR SCHOOLS

The Florida Department of Education “Florida Red Book” for schools states that raffles conducted by a charitable, nonprofit organization exempt from federal income tax may conduct raffles or drawing by chance in the name of the school but the **raffle may not be conducted on school property**. Following is the complete verbiage from the Florida Red Book, Chapter 8, 4.4 - COOPERATIVE ACTIVITIES:

“The district superintendent acts as the custodian of all school property pursuant to section 1001.51(4), F.S., and may delegate responsibilities to the school principal. The principal shall control the fundraising activities conducted in the name of the school and ensure that the purposes are worthwhile.

*Raffles and other activities of chance shall not be conducted by the school or on school property, including raffles conducted by charitable, nonprofit organizations leasing school property. Encouraging or permitting minors to participate in games of chance by playing or betting money or other valuable things is prohibited pursuant to section 849.04, F.S. **Only a charitable, nonprofit organization exempt from federal income taxation pursuant to the Internal Revenue Code may conduct raffles or drawings by chance in the name of the school if the organization complies with all applicable provisions of chapter 496, F.S., and section 849.0935, F.S., and the raffle is not conducted on school property.**”*