

Fundraising – How to Run a Raffle

Following is an excerpt from the 2012 Parish Administrator's Guide published by the Wisconsin Catholic Conference every 2 years. This is an easy-to-read guide on Wisconsin's rules and regulations. The complete Guide is a "must have" for any parish office. It can be downloaded at <http://www.wisconsincatholic.org>.

I. Fundraising - Raffles. Like bingo, raffles are regulated under **Chapter 563** of the statutes, specifically **ss. 563.90-563.99**. As with bingo, organizations that conduct raffles must obtain a license for a fee of \$25. The license is valid for 12 months.

Two classes of licenses may be issued by the DOA:

- 1) a Class A license for conduct of a raffle in which some or all of the tickets are sold on days other than the same day of the drawing; or
- 2) a Class B license, for a raffle in which all of the tickets are sold on the same day as the drawing.

The law governs the form and content of the raffle ticket and provides that no ticket sold under a Class A license may exceed \$100 in cost. Tickets sold under this license may not be offered for sale more than 270 days prior to the scheduled drawing, unless the organization requesting the license has been in existence for five years prior to the issuance of the Class A license. Organizations that have been in existence for five years prior to the issuance of such license may offer tickets for sale up to one year before the date of the raffle drawing.

The organization that conducts a raffle under a Class A license shall provide the purchaser of a raffle ticket or calendar the purchaser's portion of the ticket or calendar before the drawing, but need not provide it at the time of purchase. **s. 563.93(4m)** Purchasers of tickets under a Class A license need not be present at the drawing to win a prize.

Tickets sold under a Class B license may not exceed \$10 in cost and, unless the organization conducting the raffle determines otherwise, the purchaser of such a ticket, or their representative, must be present at the drawing to win a prize. In the case of a representative claiming a prize for the purchaser, organizations conducting raffles are not responsible or liable in any dispute regarding ownership of the ticket. A Class B raffle where more than one drawing is held and more than one prize is awarded, on the same date in the same location, is considered one raffle under **s. 563.91** if the drawing for each prize or group of prizes is made from a container specific to each prize, and the purchaser gets to place his or her ticket in the container of his or her choice. **s. 563.935(10)**

Organizations licensed by the state to conduct a raffle must report to the state, in compliance with **s. 563.98**, the following information regarding the raffles it conducted: the number and dates of the raffles conducted, the receipts, the amount of prizes paid, the net profit or loss, and other expenses paid. The organization is to submit its report to the DOA on or before the last day of the twelfth month beginning after the date on which the license is issued, and on or before that same date in each subsequent year. **s. 563.98(1)** For instance, if the state issues a license on June 1, 2010, the report is due at DOA by June 30, 2011.

If an organization has total receipts from the conduct of the raffle(s) of more than \$50,000 during the reporting period, it must report the names and addresses of all persons winning prizes with a retail value of \$100 or more, and the prizes won, during the reporting period. **s. 563.98** If an organization fails to file a report, or the report is not accurately completed, DOA may refuse to renew a license, or may choose to suspend a license. All proceeds from a raffle must be used to further the purposes of the sponsoring organization. **s. 563.94**

See also: Tax-Exempt Organizations and Gaming, Publication 3079 (Rev. 6-2010) Catalog Number 25706L Department of the Treasury, Internal Revenue Service www.irs.gov