

## **SCHOOL RAFFLES**

OKLA. STAT. tit. 21 § 1051 allows schools and their affiliated student groups and parent-teacher groups to raise money by conducting raffles in exchange for voluntary contributions. While this law allows for the issuance of raffle tickets in exchange for a *voluntary* contribution, the *sale* of raffle tickets is against the law and subjects such persons or groups selling the tickets to criminal liability. The district provides schools, student groups and parent-teacher groups with the option of conducting raffles. However, in order to comply with state law as well as prevent exploitation of students, parents and the community, the district requires that all such raffles be conducted within the limitations and guidelines provided below.

### Groups Allowed to Conduct Raffles on School Property

Only a school of the district, or a student or parent-teacher group affiliated with a school of the district may conduct a raffle or raffle-related activities on school property. The group conducting such a raffle is the "sponsoring organization" for purposes of this policy.

### Prior Approval of Raffles Required

Raffles and raffle-related activities are not permitted on school property unless prior approval has been given, in writing, by the school principal. In order to receive approval, the student group must prepare a *Request for Raffle* form and submit it to the school principal. The principal will not issue an approval unless the form is complete and unless the organization is in compliance with the School Raffle Policy and policy concerning student fund raising activities. In addition, before providing the approval, the principal must obtain the approval of the board. The principal may deny a request for a raffle at his or her discretion, taking the purpose of the fundraising into account as well as the number of raffles or other fund raising activities already approved for the calendar year. This decision may be appealed to the superintendent.

If the raffle is being sponsored by the school generally (not by a student or teacher-parent group), approval for such a raffle must be granted by the board upon the request of the school's principal or the superintendent.

### General Requirements

Raffle tickets may be issued only in exchange for a voluntary contribution. Specifically, there may be no set price for a raffle ticket, and the issuance of a raffle ticket may not be contingent on a financial contribution to the sponsoring organization. However, the sponsoring organization may determine a suggested voluntary contribution amount and may print this amount on the ticket as the suggested voluntary contribution.

The sponsoring organization may not hire or contract with any person or business to conduct the raffle, to sell raffle tickets, or to solicit contributions in connection with a raffle on its behalf.

No staff member or student shall be coerced or forced to participate in any raffle-related activity.

All tickets remain the responsibility of the sponsoring organization with accountability to the school's principal.

The fair market value of any one prize may not exceed \$5000.00.

#### Information Printed on Tickets

The following information must be printed on the raffle ticket:

1. The name of the organization sponsoring the raffle;
2. Date, time and place of drawing;
3. The district's name; and
4. Consecutive numbering.

#### Records of Raffle Activity

The sponsoring organization must report in writing to the school's principal the following information within five days of the raffle drawing:

1. Name of raffle winner(s) and respective prize(s), including the fair market value of the prize;
2. Total raffle tickets sold;
3. Total gross receipts;
4. Details of expenses related to the activity;
5. Net proceeds (gross proceeds minus expenses); and
6. Details of the expected use of the profits from the activity.

If the fair market value of the prize is \$600.00 or more, then the school must also obtain and keep for its records the social security number of the prize winner and his/her address.

If the raffle is being sponsored by the school generally (not by a student or teacher-parent group), this information should be submitted to the superintendent.

#### Federal Taxation Issues

The fair market value of the prizes must be disclosed to the respective winners. If the fair market value of the prize is \$600.00 or more, then the sponsoring organization must issue an IRS Form 1099 to the IRS and the recipient. Copies of the Form 1099's must be sent to the district's business office. Note that prizes with a fair market value of \$5000.00 or more are prohibited by the district.

Reference: 21 O.S. §1051 (S.B. 837)

Note: *Senate Bill 837 became effective upon voter approval of the Oklahoma Education Lottery.*