

Holding a Raffle or Lottery

Raffles are a great and easy way to raise money. However, some raffles need to be registered with your local council or the Gambling Commission. There are some things that you should be aware of. For instance:

- You cannot hold a lottery or raffle for private or commercial gain; the aim must be to support good causes
- If you run what is known as a 'small society lottery' you are required to register with your local authority and pay an annual fee. The definition of a small society lottery is where you expect that the proceeds of the lottery will be less than £20,000 in a single lottery, and £250,000 in separate lotteries in one calendar year. In these circumstances you are currently required to register with your local authority
- There are two definitions of a lottery. These are simple lotteries, when:
 - People are required to pay to participate
 - One or more prizes are allocated to one or more members of a group
 - The prizes are allocated by a process which relies wholly on chance,

And complex lotteries, when:

- People are required to pay to participate
- One or more prizes are allocated to one or more members of a group
- The prizes are allocated by a series of processes; and the first of those processes relies wholly on chance.

Apart from small society lotteries, there are other lotteries that do not require a licence from the Gambling Commission, This includes:

- incidental non-commercial lotteries - commonly held at charity fund raising events
- private society lotteries - only members of the society and those on society premises can participate in the lottery
- work lotteries - only people who work together on the same premises may participate
- residents' lotteries - only people who live at the same premises may participate
- Customer lotteries - only customers at the business premises may participate.

Further guidance on Lotteries under the Gambling Act 2005 is available from www.gamblingcommission.gov.uk

Small Raffle

This is the easiest raffle to organise as it does not require registration. Tickets are only sold during your event, not before, and they must not cost more than £1 a ticket. You can spend a maximum of £250 on prizes but all donated prizes can be accepted. You cannot offer a cash prize but gift vouchers are OK. All the money raised must be donated to a specified cause.

Private Raffle

You do not need to register this raffle. Tickets for this can be sold to people living or working in the same premises, or who are members of an organisation. This type of raffle can only be advertised on the premises or on the tickets.

Society Raffle

A society raffle enables tickets to be sold over a period of time to the general public. It is run by a group of people and must be registered with your local authority or gaming board. There are strict rules regarding this sort of raffle and you must ensure you have taken advice before you start.

Prize Competition

If you want to sell tickets before an event but don't want to go to the trouble of registering your raffle with your council or gaming board, you can hold a prize competition. Tickets are sold as in a raffle but entrants must answer a question as well as paying an entrance fee. The question should not be too easy or you may have to set a tie-breaker. This is not a raffle - just an alternative way of raising funds by ticket.

The law on raffles can be confusing. You should be aware that all raffles and lotteries are illegal unless they fall into the categories above. For further advice contact the Gambling Commission.

Top Tips!

- If you are holding a raffle at an event, make sure you have plenty of helpers to sell and fold the tickets.
- When organising a prize draw and setting a question and tiebreaker always choose questions with a one-word answer. You can see at a glance whether someone has answered the question correctly!