



# RAFFLES AND BINGO

a funding information leaflet from *funderfinder*

The law on lotteries and gaming is quite complicated and these notes should be taken as a rough guide only. There is a new Act, the 2005 Gambling Act, which came fully into force in 2007. For the first time there is a statutory definition of lottery: it must involve payment to enter, and winners must be chosen solely or initially by chance. Provided they are initially chosen by chance, processes involving skill or judgment can be a factor in subsequently narrowing the winners.

There are still some things you can do without asking permission from the local authority or the Gambling Commission. These are called exempt lotteries and there are now three types:

## 1. "Incidental non-commercial lottery"

This is a lottery that you would hold which is incidental to a non-commercial event, for example, you can have a raffle at a fete or a dance or a sports day or some similar event, provided that all of the money raised at the event, including entrance fees, is for purposes other than private gain.

Tickets can only be sold at the event and you must also announce the winners before the end of the event. So if you were arranging a raffle at a disco in a community centre, you should only sell tickets in the community centre during the disco and you should have the draw before the end of the disco.

You can deduct up to £100 from the proceeds of the lottery for the cost of printing the raffle tickets, and up to £500 in respect of prizes. Alcohol can be given as a prize provided it is in a sealed container.

## 2. Private lotteries

These kinds of lotteries and raffles can either be between members of a group, club or society, or between people who live or work on the same premises. Rules include:

- you can't advertise the raffle outside of the premises of the club or workplace etc
- you can't send tickets through the post
- prizes can be in cash or kind.
- you can pay printing costs out of the takings but otherwise the money you make must go on prizes or be given to the group
- there is no age restriction for buyers or sellers
- there are no restrictions on the price of a ticket (as long as each ticket costs the same as every other ticket) or how many tickets you can sell.

There is no actual requirement to have tickets at all (it could be a sweepstake).

### 3. Customer lotteries

These are less likely to be relevant to voluntary groups, but are similar to a private lottery. A customer lottery is one run by occupiers of business premises who sell tickets only to customers on their business premises. No lottery can make a profit, no prize can be worth more than £50, and a lottery cannot be held within seven days of a previous customer lottery on the same premises.

#### **Bingo, Whist Drives, Bridge evenings etc**

You can run these kind of sessions without a licence at a non-commercial event, such as a fund-raising event, provided that no part of the proceeds are used for private gain. There are now two types gaming (bingo etc):

- **Prize gaming:** where the prizes are put up in advance, and are not dependent on the number of players taking part or the amount of money staked. There are no statutory limits on stakes, prizes, participation fees or other charges for this type of gaming.
- **Equal chance gaming:** where the amount or value of the prizes varies according to the number of players who participate and/or the amount of money they stake. Here a single payment of £8 per day may be charged to cover admission, stakes and any other charges for playing. The total value of prizes must not exceed £600 in one day. Where an event is the final one of series in which all of the players have previously taken part, a higher prize fund of no more than £900 is permitted.

In all cases, the players participating in non-commercial bingo or gaming must be told what “good cause” is to benefit from the profits from the gaming.

Separate rules apply to bingo held in clubs and pubs.



#### **Society lotteries**

If you want to run a lottery where you sell tickets in advance, you must register with either the local authority (for small lotteries where the total tickets sales for a single lottery are no more than £20,000 or £250,000 in a year) or the Gambling Commission (for large lotteries where the total ticket sales are more than that).

You have to make returns to the local authority or Commission after the completion of each lottery.

The lottery must be run not for private gain: it must be promoted on behalf of a society which is established and conducted wholly or mainly for charitable purposes, participation in or support of athletic sports or games or cultural activities, or other purposes which are non commercial. Alcohol prizes can be given only if the premises are licensed for the sale of alcohol or have a temporary event notice.

The maximum ticket price of £2 for society lotteries has been removed so that there is now no maximum price, but every ticket must cost the same.

A new 80/20 rule for society lotteries provides that if at least 20% of the proceeds are guaranteed to go to the charity or other cause for which funds are being raised, the promoters can then choose how to divide the remainder between prizes and expenses. This replaces the previous rules which put a cap of 35% on the proportion that could be spent on expenses.

**Further information**

The Gambling Commission, Victoria Square House, Victoria Square, Birmingham B2 4BP, tel: 0121 230 6500, fax: 0121 237 2236, website: [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

You can also follow updates in the law on Sandy Adirondack's Legal Update for Voluntary Organisations website: <http://www.sandy-a.co.uk/managing.htm#gamblingact> which updates the Voluntary Sector Legal Handbook (new edition due in 2008).

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