

Fundraising toolkit

Lotteries and raffles

Raffles, prize draws and lotteries can be very effective at raising funds, but there are particular rules that must be adhered to.

In simple terms a lottery is a kind of gambling which has three essential ingredients:

- You have to pay to enter the game
- There is always at least one prize
- Prizes are awarded purely on chance

A typical small-scale lottery is a raffle where players buy a ticket with a number on it. The tickets are randomly drawn and those holding the same numbered ticket win a prize.

Another version is a sweepstake, for example, where the participants pay to randomly draw the names of a horse in a race. The person who draws the winning horse wins the entry money.

There are other versions too, such as a tombola – often found at a fun day or summer fete; or a 100 club which is often a weekly event organised, for members only, by a PTA or other such similar group.

As well as the three elements of a lottery outlined above, they all (with the exception of incidental lotteries) have something else in common: while there is no maximum price for a ticket, in each lottery all tickets must cost the same. That way, everyone has the same chance of winning for the same outlay. **Incidental lotteries are the exception to this rule and do not have specific ticket requirements. As such, there is no legal reason** why raffle tickets cannot be discounted, e.g. £1 per ticket or 3 tickets for £2. This is important to note, as raffles held at Lodge festive boards are classed as incidental lotteries.

For legal reasons, the Gambling Act has created eight categories of lottery, each of which has its own do's and don'ts. Here is a short description of the three categories that are predominantly applicable to masonic fundraising.

Small society lotteries

The society in question must be set up for non-commercial purposes e.g. sports, cultural or charitable.

There is a **top limit of £20,000 in ticket sales.**

A licence must be obtained from the local authority.

Tickets must show the name of the society or local authority, the ticket price, the name and address of the organiser and the date of the draw.

Large society lotteries

Similar to the small society lottery, but there is a **minimum of £20,000 in ticket sales.**

A licence must be obtained from the local authority.

Tickets must show the name of the society or local authority, the ticket price, the name and address of the organiser and the date of the draw.

Incidental lotteries

These can be held at commercial events (such as exhibitions) or non-commercial events (such as school fetes) and must be for charitable or other good causes.

They cannot be run for private or commercial gain.

All tickets must be sold at the location/time of the event but the draw can be at the event or after it has finished.

Promoters of the lottery may deduct from the proceeds of the lottery no more than £100 for expenses and no more than £500 spent on prizes (other prizes may be donated).



No rollovers are permitted.

A ticket must be provided but there are no specific requirements for tickets.

Type of lottery	Small society	Large society	Incidental lottery
Local authority permission required?	Yes	Yes	No
Fundraising?	Yes, at least 20% or proceeds	Yes, at least 20% of proceeds	Yes
Who can play?	16 and over	16 and over	Anyone at the event
Who can run one?	Society members or nominated fundraiser	Society members or nominated fundraiser	Anyone
Limits on time	None	None	One-off
Limits on place	Check with licencing authority	Not in public street	Sales only at event. Results can be drawn during or after event
Can costs be claimed?	Yes, for prizes and expenses up to 80% of sales	Yes, for prizes and expenses up to 80% of sales	£100 max taken from proceeds for expenses. £500 max for prizes
Rollover permitted?	Yes	Yes	No



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