

## **Lottery Guidelines -including raffles and 100 / 200 clubs**

All lotteries are regulated under the Gambling Act. This defines a lottery as an arrangement whereby persons pay for an opportunity to win a prize. Raffles and 100/200 clubs fall within this definition.

Some types of lotteries require permission and other types are exempt. Exempt lotteries must still operate within the laid-down rules. The attached Gambling Commission leaflet, 'Running a Lottery', summarises the requirements.

The types of lottery that are likely to be relevant to a federation are set out below.

### **Two types of lottery that may be run without permission:**

- **Incidental non-commercial lottery**

Must be held at a non-commercial event

Tickets must only be sold during the event

The draw must take place during the event, (which may last more than a day)

Prizes must not total more than £500.

No more than £100 costs may be deducted from the income

No specific ticket requirements.

- **Private lottery**

The promoter must be a member of the WI

The promoter (organiser) must act under written authorisation of the federation

Must be promoted only to members of the WI and people who work on its premises

Each person participating must be a WI member or work on federation's premises

The lottery must be promoted (i.e. advertised) only on the federation's premises

Tickets must state the name and address of the promoter, the price and who is allowed to buy tickets; they must be paid for before the buyer can enter the draw.

### **If your lottery does not fall within either of the above types then it is likely to be a small society lottery:**

- **Small society lottery**

The value of tickets on sale in any one lottery must be no more than £20,000, and proceeds from all lottery tickets must be no more than £250,000 in a year.

The federation must register with the local authority before it can run any small society lotteries.

The local authority will provide a registration form.

At least 20% of the proceeds must go to the charity

Up to 80% of proceeds may be used for costs and prizes

Tickets must not be sold to people under 16

Tickets (or equivalent) must show the name of the federation, the ticket price, the name and address of the organiser and the date of the draw.

### **Guidance on federation 100 /200 clubs**

These are most likely to be Small society lotteries. To classify as a private society lottery, there could be no advertising or promotion of the club outside of the federation's premises.

Tickets should only be sold to individuals and not to WIs. The definition of a lottery refers to 'persons'; moreover entering a lottery is not legitimate use of WI funds.

At least 20% of ticket sales must go to the federation.

# GAMBLING COMMISSION

## Running a lottery including raffles, tombolas, sweepstakes and more

People have a variety of reasons for wanting to run a lottery. They may want to collect money for a good cause such as a charity or help their local sports club buy some equipment or simply to have some fun by running an office sweepstake.

Whatever the reason—fundraising or just fun—lotteries are a form of gambling and so there is a need for safeguards and other regulations.

These regulations are all set out in the Gambling Act 2005 and are the responsibility of the Gambling Commission, which has issued this leaflet.

We will try to answer some initial questions and help you to decide which type of lottery to go for.

The Gambling Commission does not regulate the National Lottery. The National Lottery Commission regulates all National Lottery products.

### **What exactly is a lottery?**

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 funday or summer fete; or a 100 club which is often a weekly event organised, for members only, by a PTA.

As well as the three elements of a lottery outlined above, they all (with the exception of incidental non-commercial 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 non-commercial lotteries are the exception to this rule and do not have specific ticket requirements.

### **Types of lottery under the Gambling Act 2005**

For legal reasons, the Gambling Act has created eight categories of lottery, each of which has its own dos and don'ts. Here is a short description of them, together with a table on the back page to answer some initial queries.

**These types of lottery require permission, find out more about them in *Promoting society and local authority lotteries* a publication on the Commission website.**

**Small society lotteries** The society in question must be set up for non-commercial purposes eg sports, cultural or charitable. There is a top limit of £20,000 in ticket sales.

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

**Local authority lotteries** Run by the local authority, to help with any expenditure it normally incurs.

**These types of lottery do not require permission, find out more about them in *Organising small lotteries* a publication on the Commission website.**

**Private society lotteries** Any group or society except those set up for gambling. The proceeds of the lottery must go to the purposes of the society.

**Work lotteries** These can only be run and played by colleagues at a particular place of work. This type of lottery cannot make a profit, and so is unsuitable for fundraising.

**Residents' lotteries** These can only be run and played by people living at a particular address. This type of lottery cannot make a profit, and so is unsuitable for fundraising.

**Customer lotteries** These can only be run by a business, at its own premises and for its own customers. No prize can be more than £50 in value. This type of lottery cannot make a profit, and so is unsuitable for fundraising.

**Incidental non-commercial lotteries** These are held at non-commercial events, such as school fetes etc. All the sales and the draw must take place during the main event, which may last more than a single day. Prizes cannot total more than £500.

#### **What about the prizes?**

Apart from the individual limit in customer lotteries and the overall limit in non-commercial lotteries, there are no restrictions. Prizes in all categories can be monetary or non-monetary; they can be cash, goods or services. Under the licensing laws alcohol must not be awarded to anyone under 18. The police or local authority can give advice on this.

#### **The following refers to the table on the back page**

##### **System A**

Tickets must show the name of the society and/or the purpose of the lottery, the ticket price, the name and address of the organiser and the date of the draw.

##### **System B**

Tickets must show the name and address of the organiser, the ticket price, any restrictions as to who may or may not buy a ticket, and state that the rights created by the ticket are non-transferable.

##### **System C**

There are no specific requirements for tickets.

| Type of Lottery  | Fund raising?                 | Who can play?                       | Who can run one?                         | Limits on time               | Limits on place                                    | Can I claim my costs?                                | Ticket system (See over) |
|--|-------------------------------|-------------------------------------|--|------------------------------|--|--|--------------------------|
| <b>Types of lottery that require permission</b>        |                               |                                     |  |                              |  |  |                          |
| Small Society  | Yes, at least 20% of proceeds | Over 16s                            | Society members or nominated fundraisers | None                         | Check with licensing authority                     | Yes, for prizes and expenses. Up to 80% of sales     | A                        |
| Large Society  | Yes, at least 20% of proceeds | Over 16s                            | Society members or nominated fundraisers | None                         | Not in public street                               | Yes, for prizes and expenses. Up to 80% of sales     | A                        |
| Local Authority  | Yes, at least 20% of proceeds | Over 16s                            | Authority nominees                       | None                         | Not in public street                               | Yes, for prizes and expenses. Up to 80% of sales     | C                        |
| <b>Types of lottery that do not require permission</b> |                               |                                     |  |                              |  |  |                          |
| Private Society  | Yes                           | Members or guests on the premises   | Society members                          | One-off. No rollovers        | Members or guests must be on premises              | Yes, for prizes and reasonable lottery running costs | B                        |
| Work   | No profit can be made         | Employees at a single premises only | Any employees                            | One-off. No rollovers        | No sales or ads off premises. Single premises only | Yes, for prizes and reasonable lottery running costs | B                        |
| Residents'   | No profit can be made         | Residents at a single premises only | Any residents                            | One-off. No rollovers        | No ads off premises                                | Yes, for prizes and reasonable lottery running costs | B                        |
| Customer   | No profit can be made         | Your customers                      | Occupier of business premises            | 7 days between. No rollovers | No sales or ads off premises                       | Yes, for prizes and reasonable lottery running costs | B                        |
| 5  | Yes                           | Anyone at the event                 | Anyone                                   | One-off. Sales only at event | Only at event                                      | £100 max   | C                        |