



## Lotteries

The definition of a lottery is:

- People pay to take part
- One or more prizes can be won
- The prizes are allocated by a process that relies totally on chance

There are many different forms of lotteries namely raffles, tombolas, scratch cards, football team cards, 100 clubs.

## Lotteries & the Law

You must keep within the law when organising Lotteries as these are covered by the [Gambling Act 2005](#). Basically there are 3 ways in which charities and other organisations are allowed to hold a lottery in support of good causes, these are;

- Incidental non-commercial lotteries
- Private Lotteries
- Small Society Lotteries

## Alcohol as a prize

Basically there is nothing within the Gambling Act or Licensing Laws which prevent you giving Alcohol as a prize, however if you do chose to the following regulations then apply;

- It must be in a sealed container
- No one under the age of 18 can sell or buy a ticket

## 1) Incidental non-commercial lotteries

These lotteries are an incidental part of a bigger event such as fun days, fetes, dinner dances, or sporting events, weekly group activities - in other words the lottery must not be the only reason people attend the event. These are popular and easy ways to raise funds as groups do not have to register the lottery with their local authority.

All of the proceeds - apart from money spent on prizes and other necessary expenditure in organising the lottery – must go towards supporting your groups activities.

### You must keep to the following rules:

- You cannot have cash prizes
- No more than £500 can be used from the proceeds of the lottery to buy prizes, although the value of donated prizes is unlimited.
- Expenses reclaimed, such as printing tickets, administration etc. must not exceed £100 in total even if they cost more
- The draw must take place and the results made public during the event
- Prizes cannot be “rolled over” from one lottery to another
- Tickets must only be sold at the event.
- Although there is no restriction on the price of a ticket they must all be sold at the same price i.e. no offers of 50p a sheet or 3 sheets for £1
- Children & young people can buy or sell tickets
- There can be no rollover

## Good practice

- The draw should take place in front of an audience
- you should ask someone who has not purchased a ticket to do the draw, or blindfold a random participant.
- If you are giving away multiple prizes, be sure to announce which prize is up for grabs before each draw.
- Keep a record of who wins which prize and make it available to anyone who requests it

## 2) Private Lotteries – 100 club or similar

A private lottery can be an extremely effective fundraiser – especially with the attraction of cash prizes.

Charities/groups can run private lotteries, where participation is limited to their members. Again, such lotteries don't need to be registered as they are not open to the general public. All the proceeds must be either spent on prizes or the activities of the charity.

### You must keep to the following rules:

- The lottery can only be promoted by authorised members of the group
- You cannot advertise the lottery outside the group's premises and if you hire rooms that other groups use you cannot put up adverts
- Tickets can only be sold at the same price and refunds are not allowed

- Tickets have to include details of the promoters' names & addresses, the price, who may buy the tickets and that tickets are non-transferable
- Tickets can only be sold to group members on your group premises
- There will be no rollover

### 3) Small Society Lotteries

These are what we would all tend to think of as a charity lottery, the public can buy tickets and the lottery is widely promoted to get the maximum possible number of participants.

If you want to sell lottery tickets to the public – not just at fundraising events or to members – then you have to be registered as a society lottery with your local council. Registering can be a good idea as this also allows you to hold raffles where you can sell to the public before the draw.

Initial Registration Fee:       £40  
Annual Renewal:                 £20

Information:           <http://tinyurl.com/2u463o>  
Registration Form: <http://tinyurl.com/3dqxcf>  
Guidance Booklet: <http://tinyurl.com/3e67wz>

When you're running a lottery in which you're selling to members of the public, it's essential that you conduct the draw in such a way that everyone will have confidence that everything is as it should be. With a weekly lottery you may not want to make a special occasion of the draw but it's still a good idea to hold it somewhere that members of the public can come along and see it for themselves if they want.

The rules for small society lotteries are quite different

- The maximum single prize is £25,000, including donated prizes
- There is no maximum ticket price – but all tickets must be sold at the same price and no refunds are allowed
- Tickets have to include details of the society, name & addresses of the promoter, the price of the ticket, when and where the draw will take place
- Tickets cannot be sold to or by children under the age of 16
- Tickets cannot be sold on the street
- The amount spent on prizes (excluding donated prizes) must not exceed 55% of the proceeds
- Expenses in organising the lottery must not exceed 35% of the proceeds
- a minimum of 20% of the proceeds must go towards the good causes the lottery is supporting
- “a return “ which includes details of all the arrangements, the proceeds, the amount spent on prizes, donated prizes, amount applied to the society and expenses has to be submitted to the local council within 3 months.

### Good Practice

Advertise the winning numbers and/or winners together with details of your next draw in the local paper and on your website.



## Other factsheets you may find useful:

Fundraising - The First Steps  
Writing a Letter of Application to Funders  
Easy Mistakes to Make in Funding Applications  
Community Fundraising



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**September 2010**