

Massachusetts College of Pharmacy and Health Sciences

RAFFLE PROCEDURES FOR STUDENT CLUBS AND ORGANIZATIONS

Rationale: Currently there are over 40 clubs and organizations on the MCPHS College campus for students to join. These clubs and organizations are student run, and must gain funding through a petitioning process through the Student Government Association (SGA). Additionally, clubs and organizations are required by the SGA to engage in fundraising as an indication that they are committed to the longevity of their organization. These activities include hosting raffles.

The Commonwealth of Massachusetts requires reporting of fundraising by profit and non-profit groups. Any raffle-type event has tax obligations attached. The following is geared toward assisting student clubs and organizations with organizing a raffle in compliance with Massachusetts law and college policy.

If questions arise throughout the planning/reporting process, please direct them to the **Office of Student Activities and Orientation**.

**A Raffle Reporting Form must be completed 10 days prior to the event.
Students must meet with a member of the Office of Student Activities
in order to complete this form and the raffle must be approved by the Director of
Student Activities.
Student clubs/organizations that fail to adhere to raffle guidelines will be
prohibited from holding raffles for one calendar year**

Definition of Raffle: An event (either on time or on going) where a club or organization receives funds through an event where chances to win something of value are sold for cash. Examples of a raffle include, but are not limited to the following: 50/50 raffles, product raffles. Organizations must pay a 5% wagering tax on the GROSS of all funds raised through this process. The tax must be paid regardless of who receives the proceeds, including monies donated to charity.

Procedures for Raffles:

1. Pick up a copy of an Event Planning form at the Office of Student Activities, and schedule an appointment to meet with the Director of Student Activities to discuss your event.
 2. Fill out as much of the form as you can prior to the meeting. Be sure to make note that this is a raffle event and will require use of the College's raffle and bazaar permit. *Your advisor must sign this form.*
 3. At the meeting, we will review the event and ideas for effective publicity to make it as successful as possible.
 4. At the meeting, you will receive a Fundraising Reporting Form and a Raffle Ticket will be produced for your event. *You must use the ticket provided by the Office of Student Activities.* We will discuss the purpose and the use of these forms.
 5. Publicize and hold your event.
 6. Return all unused raffle tickets, name and address of winner and a copy of your tax computation sheet to the Director of Student Activities.
 7. Within 5 business days of the event, submit the original Raffle Reporting Form to the SGA Treasury. SGA will assume responsibility for submitting all tax on your behalf. Please remember to keep a copy for yourself.
- **NOTE:** *if a participant wins a prize or cash valued at \$600 or above, they are required to pay tax on this prize. Consequently, their name, Social Security number and address must be recorded by the organization and submitted to the Office of Business and Financial Affairs for processing.*

ADDITIONALLY: any raffle conducted under MGL 271, section 7A in which the value of the prize to be awarded exceeds \$10,000 or which the ticket price exceeds \$10 shall:

Disclosure (Must disclose on the raffle ticket or in a written notice given to the purchaser prior to the sale):

- Description of the prize
- Value of the prize
- Date prize available for inspection
- Minimum number of tickets, if any
- Maximum number of tickets, if any
- Value of prize is ordinary income to recipient (1099) reporting requirements)
- Ticket price is not a charitable donation
- Drawing date
- Percent ticket price will be used for charitable purposes
- Exact nature of the charitable purpose the proceeds will be used
- Warning that depositing the ticket in the federal mail is unlawful
- Other

Please note: Extensive record keeping and compliance regulations apply to this type of event. The student organization sponsoring such an event will be required to meet all obligations. In the event of a raffle of this size, clubs and organizations will need to meet with the Director of Student Activities 30 days in advance of the event.

Procedural Check-List (For your convenience):

- Pick up a copy of an Event Planning Form at the Office of Student Activities
- Schedule an appointment to meet with the Office of Student Activities to discuss your event.
Date and time of appointment: _____
- Fill out the Event Planning Form.
- Have advisor sign the Event Planning Form.
- Schedule a follow up meeting for submittal of forms (within 48 hours of drawing)
Date of appointment: _____
- Publicize event
- Hold event

For follow up meeting, you must submit the following to the Office of Student Activities as well as a copy to the SGA Treasurer.

- Raffle report form
- Submit the name(s), Social Security number(s), and address(es) of winner(s) of prizes valued at \$600 or above – *keep copy of list for records*

Raffle Reporting Form
MCPHS Office of Student Activities
Must be submitted to Jennifer Michael, Director of Student Activities

Club/Organization Name: _____ Name of Event: _____ Date of Drawing: _____ Contact Person: _____ Cost of Ticket or Chance: _____
Type of Event (check one): <input type="checkbox"/> Raffle <i>(Requires submittal of check made payable to the Commonwealth of Mass.)</i>
Brief description of event: _____ _____ _____
If you are holding a raffle, list prizes that value \$600 or more and attach copies of receipt(s): _____ _____ _____

Computation of Tax:

- | | | |
|---|----|-------------|
| 1. _____ X _____
<i>No. of Tickets or Chances Sold Cost per Ticket or Chance</i> | \$ | _____ (1) |
| 2. Other Receipts/Costs:
<i>Please submit copy of any receipts</i> | \$ | _____ (2) |
| 3. Gross Profit generated from event:
<i>Please submit copy of deposit form from Credit Union Account</i> | \$ | _____ (1+2) |
| 4. Tax \$ _____ X .05
<i>Amount of Line 3</i> | \$ | _____ (4) |
| 5. Penalty and Interest: | \$ | _____ (5) |
| 6. Total Tax Due (Add Lines 4 and 5) | \$ | _____ (4+5) |

Computation of Net Profit or (Loss):

- | | | |
|---|----|---------------|
| 1. Gross Receipts (From Line 3 above) | \$ | _____ |
| 2. Less Expenses: | | |
| a. Total Prizes Awarded (Cash or Value) | \$ | _____ (a) |
| b. Other Expenses | \$ | _____ (b) |
| c. Tax Paid (From Line 6 above) | \$ | _____ (c) |
| d. Total Expenses (Add items a+b+c) | \$ | _____ (a+b+c) |
| 3. Net Profit or (Loss) [subtract Line 2d from Line 1] | \$ | _____ (1-d) |

Please also submit name and address of raffle winner to
Jennifer Michael, Director of Student Activities.

-- Original to SGA Treasury – copy to Student Activities – copy to Student Club/Organization file --