

**Florida Atlantic University
Division of Institutional Advancement**

SUBJECT: Policy Statement on Raffles as Fundraisers Responsible Authority: Asst. VP Finance and Administration, FAU Foundation Scope: Sets forth the policy regarding FAU Foundation's rules on raffles as fundraising	Effective Date: 06/24/2013	Policy Number: 14	
	Supersedes:	Page 1	Of 2

Although raffles can serve as viable option for raising money to assist certain areas of the University, the Florida Atlantic University Foundation, Inc. (FAU Foundation), which operates as a not-for-profit, 501(c)(3) organization that receives, administers, and invests private contributions for Florida Atlantic University (FAU), adheres to the following statement concerning raffles as fundraisers.

Raffles

The FAU Foundation, Inc. will not endorse or support any fundraising activities that seek to solicit contributions through a raffle unless it is preapproved and planned with the assistance of the FAU Foundation Accounting Office at least two months in advance of the sale of tickets. Because of the increased administrative workload involved with raffles, the Foundation will assess a \$300 application fee, and all applicable non-gift processing fees.

Because raffles are considered a wagering activity by the IRS and the State of Florida, the FAU Foundation does not consider any payment for the purchase of a raffle ticket as a contribution. *According to the IRS, the cost of raffles, bingo, lottery, etc., cannot be deducted as a charitable contribution.* Additionally, according to Florida State Statute 849.0935, the required disclosures for nonprofit organizations conducting raffles include among other requirements, a statement that:

- a donation is not required to enter the drawing
- the acquisition or giveaway of any prize is not conditioned upon the receipt of voluntary donations or contributions, and
- the drawing cannot be cancelled

Because the Foundation risks the penalties associated with violating any portion of section 849.0935 of the State Statute, potential UBIT consequences with the IRS, and that such activities may lead to the imposition of a wagering excise tax and an occupational tax imposed on the persons engaged in receiving wagers, the FAU Foundations, Inc. will not sponsor or engage in any form of raffle without approval of the Executive Director of the Foundation and with full cooperation and adherence with Foundation raffle policies and procedures. Any deposit

from raffle proceeds that are found to be out of compliance with State and Federal regulations and Foundation policy will not be accepted by the Foundation.

FAU Foundation

Initiating Authority:

Interim Chief Executive Officer

Signature: _____ Date: _____

Name: David Kian

Chairman

Signature: _____ Date: _____

Name: Patricia McKay

Asst. VP Finance and Administration

Signature: _____ Date: _____

Name: Sharon Brown