

Dexter Community Schools
Raffles and Charitable Gaming
Frequently Asked Questions

This document has been prepared to help you better understand what to expect if you are considering holding an event that is Charitable Gaming. It is not intended to be exhaustive of all details, nor a legally binding document, but merely a guide to understanding the process.

1. What is Charitable Gaming?

Charitable Gaming is when nonprofit organizations raise funds through the conduct of **licensed** bingo games, millionaire parties, raffles, and the sale of charity game tickets. Of course, the funds raised must be used for lawful purposes of the nonprofit. [Public Act 382 of 1972](#), amended several times since, is:

AN ACT to license and regulate the conducting of bingo, millionaire parties, and certain other forms of gambling; to provide for the conducting of charity games, raffles, and numeral games; to provide for exemptions from licensing requirements under certain circumstances; to impose certain duties and authority upon certain state departments, agencies, and officers; to provide a tax exemption; and to provide penalties.

2. What are the types of Charitable Gaming and Licenses required?

Charitable Gaming includes raffles, charity game tickets, bingos, and millionaire parties. The requirements are different for conducting each type of event. This document was primarily written to address Raffle events.

Raffle - Is a game of chance where raffle tickets are sold, a winner(s) is determined by randomly drawing a ticket stub from a container, and a prize is awarded. A "drawing for a door prize," is a raffle and needs to be licensed. There is no limit on the number of Raffle licenses an organization can apply for in a year.

Raffles not requiring a license – A raffle where all of the following elements are present:

- (a) All the raffle tickets are sold at the single gathering of the qualified organization.
- (b) The drawing is conducted at the same single gathering where the raffle tickets are sold and prizes awarded.
- (c) The total retail value of all the prizes does not exceed \$100.00 in a consecutive 24-hour period.
- (d) If a 50/50 drawing is being conducted, ticket sales must stop when the organization has received \$200 OR the 50/50 raffle must be communicated as 50/50 up to \$100 prize money.

Silent Auction - Silent auctions do not require a license because they are not games of chance.

Small Raffle License – A raffle where the total of all prizes awarded for the entire day are less than \$500 in value requires a Small Raffle License. If a 50/50 drawing is being conducted, ticket sales must stop when the organization has received \$1,000 OR the 50/50 raffle must be communicated as 50/50 up to \$500 prize money. The license fee is \$15 for 1-3 drawing dates and \$5 for each additional drawing date.

Large Raffle License – A raffle where the total of all prizes awarded for the entire day are more than \$500 in value requires a Large Raffle License. The license fee is \$50 for each drawing date.

Charity Game Ticket - Tickets are sold at bingo or other licensed gaming events. Charity game tickets can only be purchased from a licensed supplier by a licensed organization.

Annual Charity Game Ticket License - This license allows an organization to sell charity game tickets at their club. This license is issued for one calendar year and may be renewed annually. The license fee is \$200.

Special Charity Game Ticket License - This license allows an organization to sell charity game tickets for up to 4 consecutive days. An organization can receive up to 8 special charity game ticket licenses per calendar year. The license fee is \$15 per day.

Bingo - Is a game of chance, in which prizes are awarded on the basis of bingo balls being randomly drawn from a receptacle that match a previously announced pattern on a player's bingo card. Almost all bingos need to be licensed.

Large Bingo License - Also known as a weekly or annual bingo license, this license allows an organization to play bingo on the same day and time at the same location each week. This license must be renewed annually; the license year is from March 1 through the last day of February. An organization can have an unlimited number of large bingo licenses. The license fee is \$150.

Special Bingo License - This license allows an organization to play bingo for up to 7 consecutive days. An organization can receive up to 4 Special Bingo licenses per calendar year. The license fee is \$25.

Linked Bingo - Organizations wishing to link their Michigan progressive jackpot bingo games together must follow the Michigan Progressive Jackpot Bingo Game (Manually Linked Bingo Game) directive.

Millionaire Party - Any Las Vegas style event where bets are placed using imitation money or chips in games associated with a gambling casino, such as Black Jack, roulette, or Texas Hold'em, are a type of Millionaire Party. Each Educational Organization can be issued up to 4 Millionaire Party licenses per calendar year.

The Board Policy Committee has specifically denied conducting a Millionaire Party fundraising event under any Dexter Community Schools Charitable Gaming License.

3. What is District Policy regarding Charitable Gaming?

Charitable Gaming was discussed by the Board Policy Committee in 2009 when we received requests from various school groups to use the Dexter Community School District's Educational Organization status to apply for a Charitable Gaming license for Texas Hold'em fundraising events (millionaire party). Information was provided to the Policy Committee to help them understand the regulations and associated requirements of Charitable Gaming. The Policy Committee decided against authorizing Charitable Gaming Licenses.

Raffle events, Charity Game events, and Bingo events were not specifically discussed by the Board Policy Committee. There is no current Board policy to permit or not permit Charitable Gaming Events, except for the previous policy committee decision to deny Millionaire Parties.

4. Who regulates Charitable Gaming?

Charitable Gaming is regulated by the State of Michigan, Bureau of State Lottery:

Charitable Gaming Division
101 E. Hillsdale, Box 30023
Lansing, MI 48909
Phone: (517) 335-5780
Cg-questions@michigan.gov
Website: <http://www.michigan.gov/cg>

> [RAFFLE FAQs](#)

> [RAFFLE GUIDE](#)

5. What are the Charitable Gaming Rules and Directives?

Charitable Gaming administrative rules are required by Public Act 382. Revised [Charitable Gaming administrative rules](#) became effective March 12, 2007 and provide additional definitions and guidance for the conduct of charitable gaming activities.

Directives are required by the Charitable Gaming administrative rules. [Directives](#) further clarify and provide additional guidance on specific gaming topics (e.g., Texas Hold'em).

The Charitable Gaming Division also provides [User Guides](#) and [Frequently Asked Questions](#) for nonprofit groups to organize and conduct licensed gaming events.

6. Who may hold a Charitable Gaming Event?

Only certain nonprofit organizations are eligible to be licensed to conduct bingos, millionaire parties, raffles, and sell charity game tickets. Educational, Educational Subordinate, Fraternal, Local Civic, Religious, Religious Subordinate, Senior Citizens, Service, and Veteran Organizations each have specific [Qualification requirements](#). Qualification documentation must be submitted to the Charitable Gaming Division before an organization can be granted a license.

Dexter Community Schools is an [Educational Organization](#). As a public school, we qualify for licensing and do not need to submit qualification information. Our information is drawn from the Educational Entity Master (EEM) that the District updates online annually with the State of Michigan-Center for Educational Performance & Information (CEPI).

7. Do we need a license to hold a Charitable Gaming Event?

Yes. We are just exempt from needing to submit qualification information.

8. May a School Sponsored Group hold a Charitable Gaming Event?

The Superintendent and/or any building principal may authorize the use of a District license for a School Sponsored Group. The District is then responsible to be sure all the rules and regulations of Act 382 are followed. In addition, the School Sponsored Group must adhere to all accounting procedures established by the Dexter Community Schools Business Office for Internal Accounts.

9. What is a School Sponsored Group?

If the group has an "Internal Account" where all the funds, revenue, and expenses are handled by the Business Office, then the group is eligible to use one of the Dexter Community School's licenses. Internal Accounts are required to follow generally accepted accounting principals and are audited by the school district auditors as required by governing law.

10. What about Other Groups?

There are many groups (i.e. ABCD, Band Boosters, Community Players, DCAC, Pom, Water Polo, etc.) who are integral to supporting our students and programming but have chosen to operate outside the jurisdiction of the school and school board. Those groups must apply for their own license as a Local Civic Organization. Any group whose funds are not handled through Dexter Community Schools, whether or not it has a 501(c)(3) designation or its own federal tax exempt status, must apply for its own license and may not apply for a license as an Educational Organization or use the Organization ID Number of the Dexter Community School District or any school building.

11. What Steps should a School Sponsored Group take to hold a Charitable Gaming Raffle?

- 1) The Raffle Chairperson contacts the Superintendent and/or the Business Office to request approval of a raffle event.
- 2) The Raffle Chairperson contacts the Principal of the building for approval. The building secretary adds the event to the District calendar.
- 3) The Raffle Chairperson completes a [Raffle License Application](#) using the following helpful information:
 - [Qualification Information] is the District or school building official name (i.e. Dexter Community School District, Dexter High School, Mill Creek Middle School, Creekside Intermediate School, Wylie Elementary School, Cornerstone Elementary School, Bates Elementary School) and address of that building. We already have Organization ID Numbers for Dexter Community School District (115848) and Dexter High School (131546). Other buildings will have Organization ID Numbers assigned with the first application.
 - [Signature] Principal Officer is the building Principal for buildings events or the Superintendent for districtwide events.
 - [Raffle Information] Contact Person is the building Principal for building events or the Superintendent for districtwide events. The Raffle Chairperson is the person in charge of the Raffle event. The location must be at a facility owned by Dexter Community Schools.
 - [Ticket Information] refers to whether there is presale of the raffle tickets before the event.
- 4) The building Principal and/or Raffle Chairperson provides a copy of the completed Raffle License Application to the Business Office and requests a check from the Student/School Activity Account for the license fee. The check request must include an approval from the proper building principal or administrator. Please allow at least 6 weeks for the qualification process with the Bureau of State Lottery.
- 5) All original licenses should be mailed directly to the Business Office. Upon receipt the Business Office will review and notify the appropriate principal and Raffle Chairperson that the license has been received. The original license will be forwarded to the Raffle Chairperson for posting at the event.
- 6) The Raffle Chairperson must assure Raffle Tickets comply with Raffle ticket requirements. In-house raffles may be conducted if all of the following elements are present:
 - There is no presale of in-house raffle tickets before the occasion.
 - There is no sale of in-house raffle tickets outside of the gaming area during the licensed gaming event.
 - A licensee shall establish and adhere to the house rules for the conduct of an in-house raffle.
 - A prize shall not be forfeited to the licensee.

- If any prize for an in-house raffle is not claimed or if the winner cannot be located THE DAY OF THE EVENT, then the licensee shall conduct another raffle on that same event date using the original pool of ticket stubs.

If the event does not meet all of the elements for an In-house raffle, then the Raffle Tickets must contain the following information printed in a clear and legible manner:

- The name of the licensee.
- The license number.
- The word “raffle.”
- The date, time, and location of the drawing.
- The price of the raffle ticket.
- A unique sequential identification number on the raffle ticket and ticket stub.
- The top prize or other information as directed by the bureau.
- The stub of the ticket retained by the licensee shall contain a space for the purchaser's name, address, and phone number.
- The use of the terms “lotto” or “lottery” is prohibited on raffle tickets.
- A raffle ticket shall not be used that requires the removal of a covering material to determine if a ticket is a winner or is eligible to be a winner.

- 7) The Raffle Chairperson must attend the event, comply with all [Charitable Gaming rules](#) for the gaming event, and establish and adhere to house rules, at a minimum including:
- A copy of the license application shall be on site and available for review.
 - The raffle license shall be on site and posted in a conspicuous place during the event.
 - Post house rules in a conspicuous place at the event that contain the licensee’s name, the license number, the price of the raffle ticket, the method by which the winners will be determined and the raffle will be conducted, the contingency plan for inclement weather or other extenuating circumstances if the raffle or alternative raffle cannot be conducted as planned, the refund policy, and the effective date of the house rules.
 - Raffle drawings shall only be conducted between the hours of 8 a.m. and 2 a.m.
 - Raffle drawings shall be open to any raffle ticket purchaser or authorized representatives of the State Gaming Bureau during the hours stated on the license.
 - All winners shall be determined within the hours stated on the license.
 - All ticket stubs sold shall be placed in the pool of ticket stubs from which the winners shall be drawn. The winner or winners of a raffle shall be selected on a random basis and all participants shall be afforded an equal opportunity to win. The raffle receptacle shall be designed so that each ticket stub placed in the raffle receptacle has an equal opportunity to be drawn.
 - The order that the winners will be determined shall be announced before the start of the drawing.
 - Only 1 ticket stub shall be drawn at a time.
 - If any raffle tickets are sold but the ticket stubs are turned into the licensee too late to be placed in the pool of ticket stubs, then the purchaser shall be issued a refund.
 - All prizes shall be awarded.
 - A winner need not be present to win (except for in-house raffles).
 - The licensee shall make a diligent effort to locate the winners of all prizes.
 - A prize shall not be forfeited to the licensee.

- The licensee shall conduct another drawing using the original pool of ticket stubs to award any prize not claimed or for which the winner cannot be located within 60 days from the date of the drawing (except for in-house raffles).
- 8) A list of all winners who won a prize valued over \$100.00 must be maintained, including name, address, and prize won. In addition, any winners whose prize exceeds a value of \$600.00 must complete a W-9 Tax Identification before the prize is released. The District is required to issue an IRS 1099-MISC at the end of the calendar year to any person awarded prizes that exceed \$600.00 (all totaled for the year).
 - 9) The Raffle Chairperson completes a [Deposit Worksheet](#) and turns over all monies collected from the Raffle event to the building office secretary or to the Business Office. Monies collected for raffle tickets must be accounted for and deposited separately from other monies collected at the event itself. After the event, all expenses are reimbursed by District check, including worker pay, advertising, food for workers, equipment rental, and facility rental. Dexter staff expenses are reimbursed through payroll. Submit a request for any payments to the Business Office. Under no circumstances should any expenses be paid from cash the night of the event.
 - 10) For Large Raffle Licenses, the Raffle Chairperson completes and submits a Financial Statement to the State of Michigan Bureau of State Lottery by the 10th day of the month following the month that the licensed gaming event was held: [Raffle Financial Statement](#), [Charity Game Ticket Financial Statement](#), [Bingo Financial Statement](#), [Millionaire Party Financial Statement](#). The financial statement needs to be signed by the Principal/Superintendent who signed the license. For Small Raffle Licenses, the Raffle Chairperson should still complete a Financial Statement, but it does not need to be sent to the State.
 - 11) The Raffle Chairperson submits a copy of all financial records, the Financial Statement, the list of winners and any W-9 forms completed to the Business Office for retention.

12. What is the minimum age to sell and/or purchase raffle tickets?

A person must be at least 18 years old to BUY OR SELL raffle tickets. This does not prohibit a person who is under 18 years of age from receiving a prize won in a raffle.

13. What is the responsibility of the authorizing Superintendent/Principal/Administrator?

The superintendent/principal is confirming that the School Sponsored Group is operated completely inside the jurisdiction of the school and school board, he/she authorizes the Raffle Chairperson to apply for a license on behalf of Dexter Community Schools, he/she authorizes the Raffle Chairperson to represent him/her as the principal officer and fulfill his/her responsibilities as principal officer (see excerpt of responsibilities below), he/she authorizes the Raffle Chairperson to attend the event on behalf of Dexter Community Schools and comply with all State of Michigan Charitable Gaming Rules. Please refer to Michigan.gov/cg.

Rule 504. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, prizes, raffle tickets, charity game tickets, numeral game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

- (d) Reviewing all reports and correspondence from the bureau.*
- (e) Signing and ensuring the financial statement from the licensed gaming event is submitted to the bureau as prescribed by R 432.21522.*
- (f) Responding in writing to violation notices as prescribed by R 432.21106.*
- (g) Ensuring that all workers and raffle ticket sellers are qualified to work the licensed gaming event.*

Providing authorization must not be taken lightly. The authorization to use our license means we are responsible for the event, compliance, and financials just as we are for any other school sponsored event.

14. What is the Responsibility of the Raffle Chairperson?

The Raffle Chairperson must attend the event and comply with all [Charitable Gaming Rules](#) for the gaming event. In addition, the Raffle Chairperson duties include:

- The Raffle Chairperson shall be familiar with the rules of Charitable Gaming Raffles.
- The Raffle Chairperson shall be present on the premises continuously during the occasion.
- The Raffle Chairperson shall be readily identifiable to all raffle attendees by wearing a name badge with the words “Raffle Chairperson,” “Dexter Community Schools,” and the Raffle Chairperson’s name.
- The Raffle Chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed Raffle.
- The Raffle Chairperson shall attempt to resolve in accordance with the rules any disputes that may occur during the conduct of the licensed Raffle.
- The Raffle Chairperson must comply with all accounting procedures established by the Dexter Community Schools Business Office.

15. Questions about this Charitable Gaming Information?

If you have any questions, please contact:

Sharon Raschke
Chief Financial Officer
Dexter Community Schools
2704 Baker Rd.
Dexter, MI 48130
Phone: (734) 424-4100 x1015
Fax: (734) 424-4111
Email: raschkes@dexterschools.org