Record Keeping and Reporting Requirements for Raffles

Record Keeping Guidelines: (563.97)

- Organization shall maintain a list of the names and addresses of all persons winning prizes with a fair market value of $600 or more, and the prizes won, for at least 12 months after each raffle is conducted. Our recommendation is to keep a list of all winners in case of dispute.
- A licensed organization shall keep an electronic or paper copy of its license at each raffle drawing held.
- Sold Class A tickets and calendars must be retained for one year after the date on which the drawing is held.

Annual Financial Reports: (563.98)

- Each licensed organization shall prepare and make available a report containing the following information in writing regarding the raffles conducted during the previous 12 months:
  - The number and dates of raffles conducted.
  - The receipts.
  - The amount of prizes paid.
  - The net profit or loss.
  - For Duck Races, an accounting of all sold and unsold tickets for each raffle.
- Raffle Expenses include:
  - Your cost of printing or purchasing raffle tickets or calendars.
  - Your cost of prizes –
    - If the prize was donated then there is no expense incurred by you
    - Cash prizes, 50/50, are included.
    - Your cost of an item; if you purchased an item at a discounted rate then that is the amount you may claim in your expenses.
  - Raffle license fee.
- The department shall request a copy of this prepared report upon receipt of a complaint.

Profits: (563.94)

- All profits raised by a raffle must be used to further the purpose of the licensed organization.
- No salaries, fees or profit shall be paid to any other organization or individual in connection with the operation of a raffle.
  - You may not pay anyone in regards to a raffle or give incentives to sellers or supporters.
- Raffle profits may not be used to benefit an individual or purpose not noted in your organization's purpose. Example; a school may not raise funds to donate to the American Family Children Hospital or an individual student, teacher, or parent.
- No raffle profits may be donated to a National organization, an out-of-state organization, or a ministry/outreach program in another country.

Audits and Compliance: (563.051)

- Monitor regulatory compliance of raffle operations.
- Audit raffle operations.
- Investigate suspected violations of this chapter.

Penalties: (563.99)

- Any person who violates this sub-chapter shall be fined not more than $1,000 or imprisoned not more than 30 days or both.
- The district attorney of a county of an actual or potential violation may take actions to court.

Cancellation of a Raffle and Refunding Raffle Tickets: (563.93(f) and 563.935(9))

- If a Class A raffle is cancelled, all raffle ticket purchases must be refunded in full. The organization may not deduct a handling charge or any other fee from the refund amount.
- The organization may not reclaim any prize awarded in a drawing that has already been held at the time a calendar raffle is cancelled.
- If a Class B raffle is cancelled, the organization shall refund the receipts to the ticket purchasers.
- Ticket purchasers must be refunded by check for proof of refund.
- An organization may not change a raffle ticket purchase into a "donation" to the organization in order to get out of processing refunds. Raffles are gambling.
- Contact our office if you are cancelling a raffle, have questions regarding cancelling a raffle, or if you have questions regarding refunds.

Other Important Information:

- A raffle ticket is an instrument that entitles the purchaser to one entry in a raffle.
- Raffle reports do not include silent auctions, dinner tickets, or other non-raffle related items.
- Raffles are only the sale of raffle tickets. Dice games, card games, wheels, paddles, boards, etc. are not legal in Wisconsin as they are illegal games of chance that fall under Wisconsin Statutes Chapter 945, Gambling.
- You may conduct up to 365 individual Class A or Class B raffles per license year.
- You may conduct only one calendar raffle per Class A license year.

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