

Bowdoin Finance Manual

Raffles

Effective: April 1, 2007

Contents

1. Purpose	1
2. Scope	1
3. Responsibility	1
4. Rules & Restrictions	1
5. Record Keeping Requirements	1
6. Tax Requirements	2
7. Exceptions	2

1. Purpose

The purpose of this policy is to establish general requirements for conducting raffles at Bowdoin.

2. Scope

This policy applies to any raffles conducted by employees and students to raise money on behalf of the College. All student fundraising efforts involving raffles must also comply with the Student Fundraising Policy section of the [Student Handbook](#).

3. Responsibility

It is the responsibility of department managers to ensure any raffles are conducted in accordance with this policy. The Controller's Office is responsible for tax reporting and withholding on applicable winnings.

4. Rules & Restrictions

The raffle and the related solicitations for participation must be conducted in person. It is illegal to conduct such raffle or solicitations through the U.S. mail (United States Code section 1302).

Cash prizes must be limited to \$10,000 or less. It is illegal for Bowdoin to hold a raffle that offers a cash prize greater than \$10,000. The College may offer a non-cash prize of greater than \$10,000 and less than \$75,000 but this requires a license from the State Police. Only one license per year is permitted for this type of raffle.

Any raffle activities must be conducted by Bowdoin employees and students.

Any raffle tickets must be pre-numbered in sequential order.

Raffle tickets may not be sold to any person less than sixteen years of age.

5. Record Keeping Requirements

Record keeping requirements are determined by the size of the raffle.

When cumulative net proceeds (gross proceeds collected less cash prize payouts) are expected to be in excess of \$1,000 but not more than \$10,000:

- A complete inventory of distributed tickets, including serial numbers and names of recipients, must be maintained by a department manager for each raffle. The department manager is responsible for reconciling cash on hand to sold ticket stubs. The department manager maintaining the separate inventory should not play any other role in the raffle.

When cumulative net proceeds are expected to exceed \$10,000:

- The Controller's Office must be notified by the department manager prior to the sale of any raffle tickets. The Controller's Office will act as the keeper of the separate inventory of distributed tickets. All sold ticket stubs must be included with deposits of raffle proceeds to the Controller's Office. The Cashier in the Controller's Office will independently count cash receipts and compare totals to the reports.

6. Tax Requirements

The College is required to report prize winnings on Form W-2G if the amount paid is \$600 or more and at least 300 times the wager. (The wager is the amount paid to enter the raffle.) If the prize winner fails to furnish the College with a correct tax identification number (TIN) on a completed form W-9, the proceeds will be subject to backup withholding at a rate of 33%.

Prize winnings in excess of \$5,000 and at least 300 times the wager are automatically subject to 25% federal and 5% state withholding.

7. Exceptions

The SVP for Finance & Administration & Treasurer must approve any exceptions to this policy by written notice.