

Start Simple

an easy way
to get going with
charitable gambling

If you're looking into conducting charitable gambling in Minnesota, you know there are a number of different approaches you can pursue. Many activities require a license, some an exempt permit, some an excluded permit. The options and requirements can feel overwhelming.

If your organization is interested in pursuing charitable gambling as a regular, ongoing operation (such as selling pull-tabs at the local tavern) to help support your mission, contact one of the Gambling Control Board's Licensing Specialists to help you get started. Yes, it can be complicated—but over 1000 Minnesota nonprofits have learned how to do it. You can too.

But if you're only at the point of wanting to “test the waters,” our **Start Simple** raffle might be just the thing for you. Rather than asking beginners to wade through all the applicable statutes, rules, possibilities, and prohibitions, **Start Simple** provides an example raffle with specific how-to instructions. Are there other legal ways to conduct a raffle? Sure. But if you want to keep it simple, **Start Simple**!

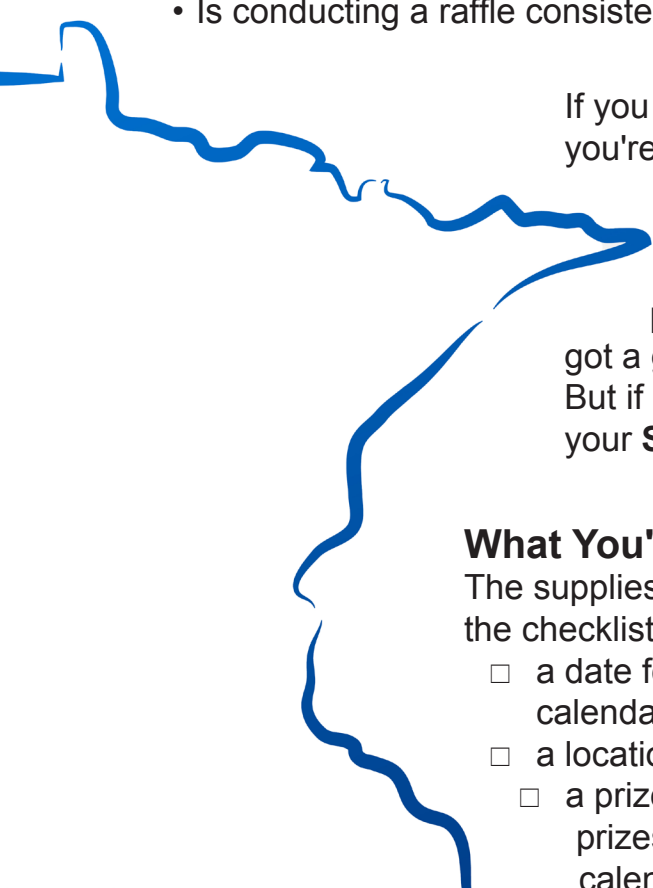


☐ Tickets sold only on day
and at site of drawing

☒ Tickets sold prior to day of
drawing or at other locations

First step? Answer these questions:

- Is your organization a registered nonprofit?
- Are you willing to cap the value of the prizes you will raffle off this calendar year at \$1500? (You can do more than one **Start Simple** raffle each year, BUT...the combined total value of ALL the prizes can't exceed that \$1500 limit).
- Is conducting a raffle consistent with your organization's fundraising philosophy?

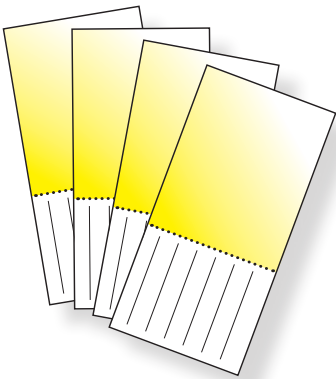


If you answered "**yes**" to all three of these questions, you're probably a good candidate. Read through these next three pages, though, to confirm that a **Start Simple** raffle is right for you. If you need more options for your raffle (for example, if your prizes will exceed \$1500 in a calendar year), we've got a great online "Intro to Raffles" class on our website. But if "keep it simple" is what you're looking for, let's get your **Start Simple** raffle started!

What You'll Need

The supplies to run a **Start Simple** raffle are pretty basic. Here's the checklist:

- ☐ a date for your raffle (by "date" we mean something on the calendar, not someone to attend with ☺)
- ☐ a location for your raffle
 - ☐ a prize package where the combined fair-market value of the prizes (offered at all your **Start Simple** raffles during that calendar year) doesn't exceed \$1,500
 - ☐ a cash box for selling tickets
- ☐ printed tickets (see the insert for ticket requirements). One half (the "ticket") is for the buyer, the other half (the "stub") you will hang onto for your drawing
- ☐ a receptacle for holding, and mixing up, the "stub" half of all the tickets sold
- ☐ a sign that clearly states:
 - the prizes offered
 - the value of each prize
 - how the winners will be determined
- ☐ a clear, sealable gallon freezer bag for storing your records
- ☐ a volunteer (or volunteers), at least 18 years old, who is willing to not participate in the raffle so they can run it (here's an interesting fact: in Minnesota, you can be under 18 and sell raffle tickets, but you can't buy them. Who knew?)



What You'll Do

For each of your **Start Simple** raffles, you will need to do the following:

- ☐ long before your event, contact your local unit of government to let them know about your raffle and see if there are any additional restrictions that might apply. And here's a heads-up: the local process can sometimes take 60+ days to complete
- ☐ set up your **Start Simple** raffle area (tickets, cash box, stub receptacle, etc.)
- ☐ post your prize sign stating what prizes are being offered, the fair market value of each, and how winners will be determined
- ☐ start selling your printed tickets (which might be something you started doing in advance of the event)
- ☐ ask the buyer to complete the stub portion of the ticket
- ☐ give the buyer the ticket, and place the stub in the receptacle
- ☐ when you have closed your tickets sales, thoroughly mix up all the stubs, and start the drawing! For each prize, randomly pull a stub from the receptacle, announce the winning number, and connect with the person who holds that ticket
- ☐ continue until all the prizes have been awarded

Important Notes:

- while the combined value of the prizes cannot exceed \$1500, there's no limit on the number of tickets you can sell (for example, you could sell 900 tickets, at \$5 apiece, in a raffle where the prizes had a combined value of \$1,250)
- tickets may only be sold in the state of Minnesota
- you may accept cash or checks for the purchase of tickets
- you cannot sell tickets online or through the mail
- only individuals age 18 or older may purchase raffle tickets or win a raffle prize

What Record Keeping is Required?

You are required to keep all the records from your **Start Simple** raffle for 3.5 years. So, grab that handy clear, sealable gallon freezer bag, write the date of the raffle on the outside, and fill it up with the following:

- ☐ the winning ticket stubs
- ☐ any unsold tickets
- ☐ a record of prizes, prize values, and all income generated by the raffle
- ☐ any other records you kept
- ☐ this Start Simple raffle checklist (with all the correct boxes checked!)
- ☐ a list of where you donated your proceeds

What You Can Do with the Funds You've Raised

The technical name for what you are allowed to do with your raffle profits is "lawful purpose expenditures." There are 26 different codes and 31 different categories. If you're curious, you can find the full list on our website. But to be honest, that kind of sounds like "not simple."

A **Start Simple** raffle is trying to make things easier, so here's a list of some of the most common, acceptable ways that organizations like yours make good use of their raffle proceeds:

- programs that support activities and facilities for youth under age 21 (this is a very broad category that could include things ranging from sports teams to debates clubs, coaching salaries to replacement equipment, literacy programs to 4-H competitions....)
- scholarships
- funding for a public or private nonprofit educational institution that is registered with, or accredited by, Minnesota (or any other state)
- community arts organizations or art programs
- programs that relieve the effects of poverty, homelessness, or disability (this could also include support for individuals in similar circumstances)
- support of a nonprofit church or body of communicants
- wildlife management projects (DNR must approve the project)
- nutritional programs, food shelves, and congregant dining programs primarily for people with disabilities
- nutritional programs, food shelves, and congregant dining programs primarily for persons aged 62 or older
- if you are a 501(c)(3), expenditures in support of your organization's primary purpose
- donations to another 501(c)(3)

Remember: so long as the expenditure falls into one of the allowed areas, you can:

- spend the funds you raised on your own organization's mission
- donate funds to another nonprofit or to an individual. And while you can buy services or products from a for-profit business, you can't donate money to one

Like we said at the beginning, this is the simplest—yet still fully legal—approach to charitable gambling in Minnesota. Do good things with the funds you raise, and don't be shy about calling us with any questions.



MINNESOTA
GAMBLING CONTROL BOARD
651-539-1900

1

Name _____

Address _____

City _____

State _____

Zip Code _____

Phone Number _____

6

0001

2

August Art Crawl Raffle \$5.00

1st Prize: Laptop and Printer

2nd Prize: Game Console

3rd Prize: Paints and Easel

8 raffle prizes in total!

A complete list of prizes is available on request.

Winner is responsible for any applicable fees or taxes.

Drawing at Mill Park Gazebo June 22, 2025

208 Main St. Milltown, MN 1:00 pm

Need not be present to win

Must be 18 to purchase ticket or win prize

Sponsored by Milltown Arts 0001


7

3

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2



Raffle Ticket Requirements

- ① **Stub** - Detachable stub with a space for the purchaser's name, address, and phone number
- ② Each ticket and detachable stub must have the same sequential number, beginning with number "1"
- ③ **Prizes:** at a minimum, list the three most expensive prizes in the raffle. If there are additional prizes that are not listed, the raffle ticket must state, "A complete list of additional prizes is available upon request." See the 'Raffle Checklist' in Ch. 7 of the Gambling Control Board's Lawful Gambling Manual for additional prize requirements
- ④ Time, date, and location where winners will be selected or determined
- ⑤ The name of the organization running the raffle
- ⑥ A statement regarding the winner's responsibility for any applicable fees and taxes
- ⑦ **Price of raffle ticket:** there are various ways that charitable gambling raffle tickets can be priced, but for a "Start Simple" raffle, all tickets should be sold for the same price and may not be discounted