Fundraising

Raffles and the Law
Many student organizations and other affiliated entities use raffles to raise funds for their groups. Raffles are governed by the Charitable Raffle Enabling Act. It permits “qualified organizations” to hold raffles under specific legal conditions. The following information is a summary of the most important provisions of that law:

There are four basic types of entities that qualify under the act:
1. Associations organized primarily for religious purposes that have been in existence in Texas for at least 10 years.
2. Volunteer emergency medical service organizations that do not pay members other than nominal compensation.
3. Volunteer fire departments that operate fire fighting equipment and do not pay members more than nominal compensation.
4. Non-profit organizations that have existed for at least three preceding years during which they have had a governing body duly elected by the members and were exempt from federal income tax under Section 501(c) of the Internal Revenue Code, do not distribute income to members, officers, or governing body, do not devote a substantial part of their activities to attempting to influence legislation or participate in any political campaign. The statutory language regarding organizations is complex, and any organization considering holding a raffle that does not clearly fall within these areas should consult with an attorney before proceeding with a raffle.

Money cannot be offered as a prize in a raffle. The prizes themselves may have any value but the organization may not purchase any prize valued at over $25,000. Each prize must be in the possession of the organization or it must post a bond for the full amount of the prize value with the county clerk.

A qualified organization may hold only two raffles each calendar year. Tickets may not be advertised statewide or through paid advertisements. The following information must be printed on each ticket:
- Name and address of the organization conducting raffle
- Name and phone number of an officer of the organization
- Price of the ticket
- General description of each prize to be awarded that has a value of over $10
- Date on which the prize will be awarded

Only members of the organization may sell tickets. No one may be compensated directly or indirectly for organizing or conducting a raffle or selling tickets.

Sample Ticket:
Organization Name & Address, Name of Officer, Phone # of Officer, Description of Prize (including estimated cost)Price of Ticket Date on which prize will be awarded

An institution of higher education shall allow the sale of tickets to a raffle by a student organization recognized by the institution at any facility of the institution, subject to reasonable time, place, and manner restrictions.

Specific questions about the raffle laws, as it applies to student organizations, should be directed to the Office of Student Activities.

Bake Sales
Recognized student organizations are allowed to hold bake sales on campus. An activity permit is required for a bake sale to be approved. In addition to the typical signatures, the Director of Student Activities must sign any activity permit involving the sale of food. Requests to sell food items other than baked goods, will be handled on an individual basis.

Activity permits for bake sales must be submitted at least 10 days prior to the event with all required signatures. The lobby of the Humanities building, in front of the library and the lobby of the Thompson Student Center are some of the more popular places to hold bake sales. These areas are reserved on a first-come, first-serve basis. The Office of Student Activities has the right to refuse approval to prevent overcrowding of areas.

Car Wash
Many organizations sponsor car washes to raise money. Several area businesses welcome student groups to use their parking lots for car washes. Please contact the Office of Student Activities for information on businesses who allow car washes. Remember, an activity permit is required 10 days prior to the event when sponsoring a car wash.

Other Opportunities
Organizations are very clever when it comes to raising funds. Auctions, sales, concerts, mixers, and holiday events are a few examples of successful fundraising events held by student groups. If your organization has a unique idea for a new fundraiser, stop by Student Activities prior to planning the event. We will help you plan and get the event approved.