

Guidelines For Operating "Penny Social" Raffles¹

Raffles are defined by Section 186.3-b. as a game of chance ***"in which a participant pays money in return for a ticket or other receipt and in which a prize is awarded on the basis of a winning number or numbers, color or colors, or symbol or symbols designated on the ticket or receipt, determined by chance as the result of a drawing from among those tickets or receipts previously sold."***

Since Penny Socials are events in which a participant pays money for a ticket that will be randomly drawn to determine the winner of a merchandise prize, such events meet the definition of a Raffle reflected above, and must be lawfully conducted. Organizations that conduct Penny Socials must first qualify as an authorized organization pursuant to Article 9-A of the General Municipal Law, and must be either licensed to conduct raffles or authorized to conduct raffles pursuant to Rule 5601.1(c). (Please refer to **Guidelines For Running Raffles** accessible on the Special Features section of this web site, and identify the Category of raffle applicable to your organization before conducting a Penny Social).

Penny Social Raffles are conducted as outlined below:

- 1) Registration and licensing, if required:
 - a. Authorized organizations conducting Category I raffles, after obtaining a Games of Chance Identification Number from the Board, must obtain a Raffle License from their city, town or village clerk's office.
 - b. Authorized organizations conducting Category II raffles, after obtaining a Games of Chance Identification Number from the Board, must file a GCVS-1 Form with their city, town or village clerk's office and the Board.
 - c. Authorized organizations conducting Category III raffles are exempt from obtaining a Games of Chance Identification Number from the Board and license, and need not file a GCVS-1.
- 2) The qualified authorized organization sells two-part "admission" style tickets, each part of which contains an identical, consecutively printed serial number, one part of which will be used for the raffle drawing, and the second part of which will be retained by the purchaser and used for comparison with, and verification of, the winning ticket drawn. Alternatively, an authorized organization may sell sheets of raffle tickets specifically designed for Penny Social Raffles consisting of a number of identically serial numbered ticket stubs attached to a receipt bearing an identical serial number. The ticket stubs will be detached from the receipt and used for the raffle drawing(s), and the receipt will be retained by the purchaser and used for comparison with and verification of the winning ticket(s) drawn;

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- 3) To properly inform the players, the price per raffle ticket or series of raffle tickets and the time the drawings are to be held on that day must be clearly posted in the location where the tickets are sold;
- 4) Alcoholic beverages (liquor, wine and beer) shall not be offered as prizes;
- 5) The qualified authorized organization places an empty container suitable for depositing raffle tickets into, and drawing raffle tickets from, in the immediate proximity of each prize to be awarded by a raffle drawing, to clearly identify to the raffle ticket purchasers that a particular receptacle corresponds with a particular prize;
- 6) Each raffle player deposits a raffle ticket or raffle tickets into the receptacle corresponding with the prize of their choice;
- 7) A member of the qualified authorized organization designated as a Member In Charge of the raffle clearly and audibly announces the closing of raffle ticket sales, and provides the players with sufficient time to deposit their tickets into the receptacle(s) of their choice before drawing a winning ticket;
- 8) A Member In Charge of the qualified authorized organization, following an announcement that the Penny Social Raffle drawing is about to begin, thoroughly mixes the contents of the raffle ticket receptacle immediately prior to the drawing, and another member of the organization draws the winning ticket from the receptacle. The Member In Charge clearly and audibly announces the serial number of the winning ticket, compares and verifies that the serial number on the ticket drawn is identical to the serial number reflected on the player's receipt, and immediately awards the winning player the prize corresponding with that receptacle. (This process is repeated in its entirety until all prizes have been awarded.)

Note: Penny Socials, as a form of raffle are, depending on the Raffle Category that the organization falls under, subject to the licensing requirements contained in sections 5602 and 5603 of the Board's Games of Chance Rules and Regulations, the Board's rules of conduct contained in Section 5620.22, and the financial reporting requirements contained in Section 5624 of the Board's Rules. For additional information regarding financial requirements for each category of raffle, please see the Board's Guidelines For Running Raffles accessible on the Charitable Gaming page of the Board's website.