

## Opportunity Drawings - A Raffle in Disguise?

Say the word “raffle” and chances are, most boosters will tell you they never “raffle” – they hold “opportunity drawings”. Many of us booster parents have a vague idea that a raffle is somehow wrong and an opportunity drawing keeps us above the law, but most don’t really know the difference, or even if that much is true.

Here’s the scoop:

It is perfectly legal for most nonprofits, including booster clubs and parent organizations to hold raffles in the State of California. This process is regulated by the California Office of the Attorney General (OAG) and, as you might expect, there are a few rules:

- At least 90% of the gross receipts must go directly back to the organization for use in its charitable mission. This means that by law, 50/50 drawings are not allowable in California.
- A nonprofit organization must register with the Attorney General's Registry of Charitable Trusts before the raffle and must also file an aggregate financial disclosure report for all raffles held during the reporting year.

Opportunity drawings, on the other hand, do not require registration with the OAG. This is why many parent organizations have started calling their raffles, “opportunity drawings”. As you might expect, **calling** a raffle an opportunity drawing, does not magically **make** it one.

As with all things governmental, there are rules. Here’s what the OAG has to say about Opportunity Drawings:

Penal Code section 320.5, subdivision (m) states that a raffle is exempt from registration with the Attorney General's Office if **all** of the following are true:

- a. It involves a general and indiscriminate distribution of the tickets;
- b. The tickets are offered on the same terms and conditions as the tickets for which a donation is given; and
- c. The scheme does not require any of the participants to pay for a chance to win.

In plain English, this means that everyone has access to tickets, regardless of whether they purchased them or not and you don’t have to pay to win.

While an opportunity drawing may require less paperwork on your part, a raffle is generally considered a better method of fundraising, since the club can require the purchase of tickets to win.

### Important Takeaways

- *50/50 Drawings are not legal in California. 90% of gross receipts must go to charitable purposes.*
- *Make the effort to register with the Office of the Attorney General to hold a raffle. “Opportunity drawings” come with restrictions.*

For more information and to download forms, see the OAG's website at <https://oag.ca.gov/charities/raffles>.