United Way Campaign
Raffles, Auctions & Sweepstakes

Raffles, auctions, or sweepstakes can be effective ways to motivate employees to participate in the United Way campaign. There are advantages and disadvantages of running raffles, auctions and sweepstakes that your United Way representative can discuss with you. However, if you choose to hold raffles, auctions or sweepstakes, there are several considerations you must take into account:

- ✓ The IRS Code as it pertains to tax deductions for charitable gifts. Go to: http://www.irs.gov/pub/irs-pdf/p526.pdf
- ✓ The Alaska State Gaming Statutes and the subsequent accounting procedures—this information is available from UW staff person Sue Ross at sross@ak.org.

Determine if you are holding a raffle OR a game of skill or chance or sweepstakes (door prize).

Raffles – UW has a permit and you may use it for raffles.

If your proposed activity includes the following aspects, your RAFFLE is allowed. (Monies paid to purchase raffle tickets ARE NOT TAX DEDUCTIBLE.)

1. Participants paying for a ticket/chance to win specific prize
2. Winning ticket is drawn at random
3. Winner receives prize of substantial value

If you elect to conduct a raffle, you MUST:

- Contact **Sue Ross**, Director of Finance/Accounting, at sross@ak.org or 263-3813 for United Way of Anchorage **raffle permit number and instructions**.
- Track and account for raffle monies separately from employee pledges. **Do not use pledge forms for raffles.**
- Turn in raffle proceeds AND **all ticket stubs and any remaining stubs** directly to Sue Ross.

Auctions (live, silent or via internet or intranet): No permit necessary.

1. Items offered for bidding.
2. Highest bidder "wins" item and pays bid amount for it.

Only amount of bid in excess of fair market value of item is tax deductible. If you elect to conduct an auction, please to the following:

- Track and account for auction monies separately from employee pledges. Do not use pledge forms for auctions. Please convert auction cash to a company check.
- Turn in auction proceeds in the pledge envelope to your UW representative. Reflect amount in "special event" section on envelope.
- Contact your relationship manager to request a template Excel spreadsheet for you to complete and submit to UW if you have donors of items to your auction that wish to receive tax receipt for their donation
- YOU - the company representative - are responsible for informing winning bidder that only amount of bid in excess of fair market value of item is tax deductible. (Easiest to include this statement, amount of winning bid and fair market value of item in a "receipt" for each winner.)

Sweepstakes (Door Prize): No permit necessary.

1. No purchase necessary to win. (You can highlight the option for a chance to win with every gift, but fine print must allow for non-givers to enter the sweepstakes. This can be done by telling non-givers to submit entry in writing by specific date. Those non-givers must be included in final drawing. Because it is a sweepstakes, the full amount of any gift given in relation to the sweepstakes is tax-deductible.)
2. Prize of substantial or non-substantial value awarded at random

If you elect to hold a sweepstakes, please be aware of the following:

- Ensure that those who choose not to give to the United Way have the same chance of winning as the employee who contributes (i.e. everyone has opportunity to receive a ticket for the sweepstakes).
- If value of prize is $600 or more your company may be responsible for providing the winner a completed IRS form 1099 for the prize.

UNITED WAY STAFF MEMBERS ARE NOT LEGAL OR TAX EXPERTS. WE HAVE PROVIDED THE ABOVE INFORMATION BASED ON THE BEST OF OUR KNOWLEDGE. WE HIGHLY RECOMMEND THAT CONSULT YOUR COMPANY'S TAX ADVISOR OR LEGAL COUNSEL FOR FURTHER INFORMATION AND INSTRUCTION.