

FUNDRAISING

- ▶ No individual student accounts
- ▶ Every individual must receive an equal share of fundraising proceeds
- ▶ Disqualifier of Charitable 501(c)(3) status if fundraising proceeds are not shared
- ▶ Scholarships permitted for financial hardship, but should be a provision in organization's Bylaws
- ▶ No consequences permitted for lack of participation in fundraising activities

ALLOWABLE FUNDRAISERS:

DONATION/CHARITABLE GIVING – Crowdfunding is not permitted. See Board Policy GBIA/IGDFA

RAFFLES

- ▶ All 501(c)(3) organizations are permitted to hold raffles
- ▶ Businesses and individuals are forbidden from holding raffles
- ▶ No license or report is required
- ▶ Must distribute at least 50% of the net profit back to the district or a charitable purpose (ORC 2915.01(Z)); i.e. 50/50 Raffles
- ▶ A person who is under 18 may sell raffle tickets as long as that person is not selling raffle tickets at the site of the raffle (ORC 2915.11(A))
- ▶ Raffles cannot be conducted online using a random number generator to select a winner
 - ▶ Raffle winners must be drawn from a receptacle containing detachable sections representing all tickets sold.
 - ▶ Permissible to sell tickets online, but the winning ticket must be drawn from a receptacle

SILENT AUCTION

Specific set of requirements if auctioning alcohol – Alcohol must be purchased in Ohio and liquor taxes paid (It cannot be donated or purchased out of State)

SALE OF ITEMS – DISCOUNT CARDS, SUBS, FLOWERS, ETC.

- ▶ Cash payment applications such as Venmo, Zelle or CashApp should NOT be used to collect payments
- ▶ These are considered “peer to peer” platforms and don't support nonprofit accounts or offer bank level security

- ▶ Use of Venmo for any financial transactions related to your group violates the terms of Venmo's user agreements
- ▶ Venmo Business is still considered a "peer to peer" platform
- ▶ Venmo wants the Phone number connected to be a business number which needs to be an actual number, not the school or Google voice number. Leaves this to be a volunteer's number unless you pay for a business phone. If a personal phone number is used, it cannot be used in the future for a personal Venmo account
- ▶ Venmo cannot convert an existing business profile to a charity profile. A charity profile cannot be edited on a computer, only through the app.
- ▶ Language within the Venmo user agreement places PTO/Booster group leaders in an unacceptable liability situation by creating little to no financial protection for the group, or for you as a Board member
- ▶ Charities are responsible for sending an official written acknowledgement or tax receipt to donors. You have to download this information from Venmo and send the receipts.
- ▶ Crime coverage does not cover loss of funds related to the use of Venmo or other similar cash payment applications
- ▶ Acceptable platforms for electronic or credit card payments include: MemberHub, PayPal, Cheddar Up, Stripe, or Square because of the protections they offer in their user agreements. **PayPal does accept Venmo as a payment method.**

ALLOWABLE AS LONG AS SPECIFIC REQUIREMENTS ARE MET:

NIGHT AT THE RACES (RESTRICTIONS ON LOCATION OF EVENT)

- ▶ Must be considered a "Game of Chance" under ORC to be permissible
- ▶ Also covered under AG opinion 2006-045
- ▶ Bettor cannot be pre-assigned a horse; element of choice must be present
- ▶ **Event must be held on property owned or leased by a governmental agency, or on premises leased from a veteran's or fraternal organization**
- ▶ **Event CANNOT LEGALLY be held at a business, even if the space is donated.**

BINGO (MUST OBTAIN A LICENSE)

- ▶ Detailed requirements
- ▶ Highly regulated
- ▶ Reference Charitable Bingo page on AG's website
- ▶ **Must obtain a bingo license from Ohio Attorney General**
- ▶ License must be displayed at the event
- ▶ Requires proof of 2 years of 501(c)(3) status
- ▶ **Includes ANY type of bingo, including purses**

UNALLOWABLE FUNDRAISERS:

CROWDFUNDING – See Board Policy GBIA/IGDFA

SQUARES

- ▶ 100% of money pooled together must be paid out to the winners
- ▶ Otherwise, considered **Impermissible Pool Conducted for Profit**
- ▶ Anytime any funds are diverted from going to the participants as prizes, even to a charitable organization, it's an ILLEGAL scheme of chance.
- ▶ Another component that makes these illegal is that participants would be assigned a number and are not provided the opportunity to choose their numbers.