

Guidelines and Alternative Means

- Form RRF-1: The California Attorney General's Registry of Charitable Trusts requires this annual registration renewal fee report from general charities to monitor **overall** financial assets and prevent mismanagement.
- Form CT-NRP-1: This is a separate, specific Application for Raffle Registration that must be filed at least 60 days before conducting any raffle activities or selling tickets.

Key Compliance Rules

- Independent Filings: Form RRF-1 reports general yearly finances, while Form CT-NRP-1 is a proactive permit application required before holding a lottery/raffle.
- Prior Approval Needed: You must submit Form CT-NRP-1 and receive a confirmation letter/permit number from the Attorney General before selling any raffle tickets.
- Post-Raffle Reporting: After the year ends, nonprofits must file an aggregate Nonprofit Raffle Report (Form CT-NRP-2) by February 1, which is also separate from the RRF-1.

California 50/50 Raffle Restrictions

- General Prohibition: Standard 50/50 raffles (where half the proceeds go to a winner and half to the organization) are generally illegal for regular nonprofits in California.
- The 90% Rule: California's strict constitutional anti-lottery exception requires that at least 90% of the gross ticket receipts go directly to beneficial or charitable purposes in California, leaving a maximum of 10% for prizes and administrative costs. A 50/50 split violates this rule.
- **Sports Exception: *The only legal 50/50 raffles in the state fall under the specialized 50/50 Major League Sports Raffle Program tied to professional sports team charities, not veterans organizations.***

When Form CT-NRP-1 Is Required

If the VFW post decides to host a compliant charitable raffle (where 90% of proceeds go to charity and 10% or less covers prizes/costs):

- **Registration:** The post must register annually using Form CT-NRP-1 with the California Attorney General's Registry of Charitable Trusts at least 60 days before selling any tickets.
- **Exemptions:** Only specific groups like religious organizations, schools, and hospitals are exempt from filing the CT-NRP-1 registration (though they must still follow the 90% rule). A VFW post does not qualify for this exemption.

Tips for Handling the "Free Entry" Requirement

To stay 100% legal, you must actually have a process ready if someone requests a free ticket.

- **Keep the Tickets Identical:** If someone gets a free ticket, it must look exactly the same and go into the same physical or digital hopper as the tickets from paying **donors**.

Here are two quick script options the Post Commander or Quartermaster can read at the beginning of the meeting. Both keep the Post completely legal under California law while still capturing that same fun, competitive meeting-room energy.

Option 1: The "90/10" Cash Drawing Script

Use this option if members still want to buy tickets for a cash prize, but you need to comply with California's 90% charitable distribution rule.

"Comrades, before we get into the main agenda, we are going to do a drawing tonight for our Post Building Fund. Because California has incredibly strict gaming laws, we cannot legally do a 50/50 split.

Instead, we are doing a compliant 90/10 drawing. Tickets are \$[Price, e.g., \$5] each. 90% of everything we raise tonight goes directly into fixing up our building, and one lucky winner will take home a cash prize equal to 10% of the total pot. Let's get those tickets moving, support the post, and see who takes home the cash!"

Option 2: The Voluntary Donation "Opportunity Drawing" Script

Use this option if you want the winner to take home a bigger prize (like a donated gift basket, bottle, or gift card) without worrying about percentage math or state registration rules.

Example:

"Alright everyone, we're holding an Opportunity Drawing tonight for our Building Fund. Per California law, this is completely free to enter. Everyone sitting in this room gets one free entry ticket just for being here—make sure you grab yours from [Name/Quartermaster].

Now, while the ticket is free, our building fund needs some serious love. We have a donation bucket right here on the table. We highly encourage everyone who is able to drop a donation into the bucket to help us hit our goals. The donation doesn't change your odds of winning, but it keeps our lights on and our roof fixed. We'll draw the winning ticket at the end of the meeting!"

Meeting Announcement Script: The New Building Opportunity Drawing

Example:

"Alright everyone, we're holding an Opportunity Drawing tonight to help raise money for our brand-new building. Per California law, this drawing is completely free to enter. Everyone sitting in this room gets one free entry ticket just for being here, make sure you grab yours from [Name/Quartermaster] right now!

Now, while the ticket is completely free, our new building fund needs some serious love if we want to break ground. We have a donation bucket right here on the table next to the tickets. We highly encourage everyone who is able to drop a generous donation into the bucket tonight. Your donation doesn't change your odds of winning, but 100% of it goes directly toward funding our future home. Let's step up for the Post, support the new building, and we'll draw the winning ticket for [Insert Prize Name] at the end of the meeting!"

Quick Setup Reminders for the Meeting

- * Visual Aid: Tape a picture, blueprint, or conceptual drawing of your future building right onto the donation bucket. Giving members a visual target always drives up voluntary donation amounts.
- * The "One Ticket" Rule: Make sure the Quartermaster hands out exactly one ticket to every person in attendance to keep the drawing completely fair, uniform, and legally bulletproof under California's "no purchase necessary" rules.



The Critical Legal Footnote (California Penal Code § 320.5)

To comply with California law and completely bypass raffle registration requirements, you must include this exact type of disclaimer in clear, readable text at the bottom of your online flyer, donation page, and social media posts:

Official Rules & Legal Disclaimer: No purchase, payment, or financial contribution is necessary to enter or win. A donation does not increase your chances of winning. This drawing is conducted by [VFW Post Name/Number], a non-profit veterans organization, in compliance with California Penal Code Section 320.5(m). To obtain a free entry ticket with identical odds of winning, please [insert free entry method, e.g., send a self-addressed stamped envelope to the Post or visit our front desk during open hours] before [Insert Deadline Date]. Must be 18 years or older and a resident of California to enter. Void where prohibited.