



## **NYS PTA on Charitable Gaming**

The mission of NYS PTA is to be a powerful voice for all children, a relevant resource for families and communities, and a strong advocate for the education and well-being of every child. It is our vision to make every child's potential a reality, and all we do must focus on students.

When planning the year's PTA activities, PTAs should always remember to use the 3-to-1 rule. For every fundraising activity, there should be at least three non-fundraising projects aimed at engaging parents, families, children, educators, or advocating for improvements in education.

### **Generally, on Gaming**

While charitable gaming is allowed under state and federal law (albeit highly regulated), NYS PTA cautions the use of charitable gaming, and certainly discourages gaming that is aligned with cash prizes and/or other large prizes.

The NYS Gaming Commission oversees charitable gaming. See here:  
<https://gaming.ny.gov/charitablegaming/>

The NYS Gaming Commission's Charitable Gaming section includes the following subsections:

- Charitable gaming forms
- Information on Bingo
- Information on Bell Jars (not typically used by PTAs)
- Las Vegas Nights
- Raffles

Guidance from the IRS: *"A common misconception is that gaming is a "charitable" activity. There is nothing inherently charitable about gaming. It is a recreational activity and a business. Although a charity may use the proceeds from gaming to pay expenses associated with its charitable programs, gaming itself does not further any charitable purpose."* (emphasis added)  
<https://www.irs.gov/pub/irs-pdf/p3079.pdf>

## **Guidance on Raffles**

On raffles, which seem a common PTA fundraiser, there are very strict rules, which can be found here: <https://gaming.ny.gov/pdf/REVISED%20Raffle%20Guidelines%208%2023%202018.pdf>.

Take the time to read the NYS Guidelines for Conducting Raffles closely if you are considering holding a raffle. Please know, online and in-person raffles are treated differently - **under current regulations, online raffles are NOT allowed.**

**Raffles and online gaming in MemberHub are NOT allowed.** Units should NOT use any of the MemberHub Store 2.0 options for setting up raffles or sweepstakes. At our request, MemberHub has added a gaming disclaimer that says to refer to state law regarding raffles and gaming. **Do NOT use the raffles function in MemberHub.**

Of note, we have seen an uptick of gaming on social media channels called ‘Spin it to Win it’. Important – this is a raffle and considered gaming, and is subject to state laws and regulations. As reminder, online gaming is currently prohibited. Please note, even if you are using low cost items or low dollar amounts, **units CANNOT use Spin it to Win it on social media or online. Online gaming is not currently allowed in ANY form.**

Also, please do NOT use any third-party gaming sites. Various third-party gaming sites have been popping up, these are not allowed under NYS PTA guidance.

## **Guidance on Bingo**

The NYS Gaming Commission offers guidance on operation of Bingo. Please read the guidelines and FAQs below if you decide to hold charitable bingo.

Note, this information would not apply to children’s bingo, as a family engagement event as example, where the unit may be giving away low-cost children’s prizes to students. The guidance refers to bingo as a game of chance, not children’s bingo or other family engagement activities.

- FAQs - [https://gaming.ny.gov/charitablegaming/bingo\\_faq.php](https://gaming.ny.gov/charitablegaming/bingo_faq.php)
- Guidelines - <https://gaming.ny.gov/charitablegaming/bingoguide.php>

## **Other Guidance**

A recent Emergency Rule purports to allow for contactless payments during the COVID-19 pandemic, as FYI. You can read more here: [https://gaming.ny.gov/pdf/legal/2021-01-20%20Charitable%20gaming%20games%20of%20chance%20payment%20methods%20\(emergency\).pdf](https://gaming.ny.gov/pdf/legal/2021-01-20%20Charitable%20gaming%20games%20of%20chance%20payment%20methods%20(emergency).pdf)

As reminder, gaming may have tax implications.

“Whatever the reason, an organization conducting any type of gaming should understand the relationship between that activity and its exempt purposes, and how the activity can impact its federal tax-exempt status. An organization engaged in gaming activities also needs to understand

its tax and information reporting responsibilities. This publication provides an exempt organization with the information it needs to engage in gaming activities in a manner that will not jeopardize its exempt status or lead to unexpected tax liabilities, whether the organization is currently running games or is considering whether to start.” <https://www.irs.gov/pub/irs-pdf/p3079.pdf>

The IRS also offers more information on Charities and Raffles, which you can read here: [https://www.irs.gov/pub/irs-tege/notice\\_1340.pdf](https://www.irs.gov/pub/irs-tege/notice_1340.pdf)

**Of note, silent or live auctions are not considered gaming or a game of chance**, as the bidder is paying for the goods outright (albeit sometimes as a lesser value than worth). Silent or live auctions are not covered under the state’s charitable gaming laws.

## **Conclusion**

Gaming has inherent risks. State law and regulations **MUST** be met. Currently, online gaming is **NOT** allowed; including gaming on social media channels, gaming on websites, and gaming in MemberHub.

Your unit should carefully consider the use of gaming as a fundraiser only after seeking **ALL** other alternative sources of fundraising. Gaming is **NOT** the preferable way to fundraise in PTA.

Please read all guidance here if you are considering gaming: <https://gaming.ny.gov/charitablegaming/>.

You **MUST** follow all rules on the NYS Charitable Gaming website. If you have questions, please first contact your region director. If they are unable to answer, they will contact the State Office for assistance. Your region director can be found here: <https://nyspta.org/home/about/contact/contacts-region-directors/>

If you decide to use gaming:

- You must comply with all state and federal laws, regulations and guidance;
- Realize gaming may have tax implications for your unit, so you should consult with a tax professional;
- Have a membership vote on the use of gaming, including a budget vote of all members;
- Have transparent conversations on the use of gaming funds;
- Ensure no child or young adult takes part in any gaming activity or promotion;
- Remember that gaming can cause addiction; and
- Remember that gaming is not aligned with PTA’s charitable mission or vision.