

# Fundraising fact sheet

Fundraising is important to many schools, and they run activities such as appeals, events, competitions and raffles.

Fundraising activities are regulated by the government, and schools need to understand the rules and obligations.

Fundraising activities are generally exempt from Goods and Services Tax (GST) and Fringe Benefits Tax (FBT) but there are some exceptions. Visit the [Australian Taxation Office](#) website for more information or [contact the department's Taxation Centre](#).

This document explains the categories of fundraising and the regulations that cover them. It outlines the obligations and responsibilities of schools (including P&Cs) under these regulations and where to go for further information.

## Types of fundraising

Fundraising activities fall into two broad categories:

### 1. Fundraising appeals

These are governed by the [Charitable Fundraising Act 1991 \(the Fundraising Act\)](#). The receipt of money or other property will be considered a fundraising appeal for the purposes of the Fundraising Act if it is for or includes a charitable purpose. This includes the advancement of education. Schools and P&Cs are exempt from needing a permit for fundraising.

Fundraising events include:

- collections
- sponsorships
- fetes
- the sale or auction of donated goods and services
- dinners, lunches and barbecues
- entertainments such as performances and dances
- trivia nights
- skill based guessing competitions
- crowdfunding.

### 2. Raffles and games of chance

These are governed by the [Community Gaming Act 2018 \(the Gaming Act\)](#). Schools may conduct them, but some games of chance need a permit. Permits are free and are issued by NSW Fair Trading. Further information and application forms are available on the [NSW Government website](#).

Activities include:

- raffles
- art unions
- no-draw lotteries
- gratuitous lotteries
- mini-number lotteries
- progressive lotteries
- lucky envelopes
- bingo
- chocolate wheels
- sweeps and calcuttas and
- guessing competitions (non skill-based).

## General guidelines

### Children taking part in fundraising activities

Children can take part in fundraising activities, as long as you observe the following:

#### Children must

- be over 8 and have parental approval
- always work in groups of two or more
- not participate for more than 4 hours on a school day or 6 hours on other days
- have a 12-hour break once the maximum number of hours is reached
- only participate for 5 days per week
- not start before sunrise or finish after sunset (or 8:30pm if the following day is a school day, whichever is the earlier)
- not enter a private dwelling when soliciting door-to-door
- not collect from or sell to any person in a car
- not be required to lift or carry loads
- have appropriate access to food, drink and toilet facilities
- be adequately clothed and be adequately protected from the elements
- not be involved with a lottery which includes liquor as prizes, including buying or selling tickets and giving or collecting prizes
- not be depicted in advertising participating in a lottery activity.

#### Children

- under 11 must be in constant contact with an adult
- over 11 must be adequately supervised (an adult must be nearby and in contact at least every 30 minutes)
- under 17 must not take part in chocolate wheels and lucky envelopes
- under 18 cannot play in mini-numbers lotteries.

### General guidelines for running fundraising activities

The Fundraising Act imposes obligations for conducting fundraising appeals, including:

- You must maintain accounts and records, including minutes of decisions.
- Ratio of expenses to receipts - you must take all reasonable steps to ensure:
  - For donation or collection appeals, expenses are not more than 40% of the gross proceeds.
  - For fetes and sale of goods, the net proceeds are 'fair and reasonable'.
  - For gaming and competitions with prizes, expenses are not more than 60% of the gross proceeds.

- Participants must wear clear identification of themselves and of the organisation. The ID must have a consecutive issue number, issue and expiry dates, and an authorised signature. It must be prominently displayed and easy to read. You must keep a register of the identifications issued and their return.
- Identification is not needed if:
  - school children are involved, in school hours and under proper supervision.
  - the fundraising activity is being conducted on the school site - for example a trivia night.
- Advertising must show the name of the benefiting organisation, and the purpose or distribution of donations.
- You must issue a receipt for all cash donations, even if not requested.
- Receipts are not needed if you use collection devices (containers that money or goods can be placed into by the donor).
- Collection devices must be secure and sealed with only a small opening to allow money or goods to be inserted, but not withdrawn. They must show the name of the fundraiser and be numbered.
- It is illegal to ask for donations from motorists on public roads.

## General guidelines for running raffles and games of chance

### Prizes

- Prizes may be cash, goods, services or vouchers.
- Prizes must not be tobacco products, firearms or ammunition, prohibited weapons or cosmetic surgery or similar procedures to 'improve' appearances.
- Liquor is restricted to 20 litres of alcohol (20% by volume) or 5 litres of alcohol (more than 20% by volume), per game.
- Cash prizes must not total more than \$5,000.
- Individual cash prizes of \$2,000 must be given by crossed cheque or direct deposit.
- Vouchers for goods or services must not be redeemable for cash or prohibited prizes.
- For travel prizes, spending money must be no more than 20% of the total value of the prize.

### Tickets and prices

- Tickets and ticket-butts must bear the same ticket number, from a consecutive series.
- Tickets must show:
  - prizes and their value
  - the place, time and date of the draw
  - how the prize-winners will be notified.
- Notification should occur within 2 days after the draw.
- If the prize pool is over \$5,000, tickets must also include the name of the benefiting organisation and the ticket price.
- The ticket-butt must have space for participant's name, address and contact number.
- You must publish the result within 7 days after the draw in a newspaper circulating in the region in which the lottery was conducted.
- Mini-numbers and no-draw lottery tickets must not be more than \$2.00 each.
- Housie cards are restricted to a 5¢ maximum.
- You must not demand that participants are present at the draw to win a prize.
- You must try to contact the winner and must retain the prize for three months. If the prize is perishable goods, you can sell/dispose of them and hold in trust a cash equivalent instead.
- After three months, you must write to the Department of Fair Trading details of how you have tried to contact the winner and have the prize delivered, and ask permission to re-affle, sell, or dispose of the prize.

# Further information

## NSW Department of Education

- [Business Engagement](#)
- [Legal Services](#)
- Taxation Centre
  - [EDConnect.Taxation@det.nsw.edu.au](mailto:EDConnect.Taxation@det.nsw.edu.au)
  - 1300 32 32 32 (Option 1)

## NSW Government

- [Charitable fundraising guidelines](#)
- [Community gaming forms and resources](#) (for a permit to run a game of chance – allow at least 2 weeks lead time)

## Australian Taxation Office

- [Fundraising events](#)