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Fundraising for Groups and Organizations

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I. REASON FOR THIS POLICY

Establish guidelines regarding fundraising activities conducted by University groups and organizations. This policy does not cover fundraising activities conducted by the University of South Dakota Foundation.

II. STATEMENT OF POLICY

Fundraising activities conducted by University groups and organizations that are considered a form of gambling according to the South Dakota codified laws may not be conducted by the University.

Under these laws, there are instances in which fundraising (lottery) may not be construed as gambling. These instances are:

1. The fundraising (lottery) is conducted by a bona fide congressionally chartered veterans' organization; a religious, charitable, educational, or fraternal organization; a local civic or service club; a political party; a volunteer fire department; a local industrial development corporation; or a political action committee or political committee on behalf of any candidate for a political office which exists under the laws of the State of South Dakota;

2. The proceeds there from do not inure to the benefit of any individual;

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3. No separate organization or professional person is employed to conduct the fundraising (lottery) or assist therein;
4. No compensation of any kind in excess of the state minimum wage per hour or sixty dollars, whichever is greater, in value is paid to any person for services rendered in consideration of any fundraising (lottery);
5. The actual value of any fundraising (lottery) prize is stated before any chances for the fundraising (lottery) are sold. A fundraising (fundraising (lottery)) prize of a stated amount of dollars in value may be given to a person who sells a winning fundraising (lottery) ticket or share as long as the winning fundraising (lottery) ticket or share is selected at random;
6. The organizations authorized under number 1, before selling any chances for a fundraising (lottery) give thirty days' written notice of the time and place thereof to the governing body of the county or municipality in which it intends to conduct the fundraising (lottery), and the governing body does not pass a resolution objecting thereto. However, any organization that conducts a fundraising (lottery) and tickets or shares for such fundraising (lottery) are sold state-wide shall provide written notice of such fundraising (lottery) pursuant to this subdivision only to the secretary of state and to the governing body where the drawing for such fundraising (lottery) is held; and
7. No organization authorized to conduct a fundraising (lottery) under number 1 may enter into any lease or agreement with any other person or organization to provide equipment or services associated with the conduct of a fundraising (lottery).

III. DEFINITIONS

GAMBLING: A game played with cards, dice, or other implements or devices of any kind wherein anything valuable is wagered upon the outcome.

FUNDRAISING (LOTTERY): A plan whereby for a valuable consideration money is raised by selling chances to share in the distribution of prizes.

IV. PROCEDURES

For events taking place in the City of Vermillion, a fundraising (lottery) notification form must be submitted to the University of South Dakota Vice President of Finance for approval. This approval will be submitted by the USD Accounting Office to the City of Vermillion Manager prior to the fundraising event. This form requires the following information:

1. Name of organization/group

2. Contact person
3. Date(s) that tickets/chances will be sold
4. Cost of tickets/chances

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5. Date(s) of drawing(s)
6. Whether or not anybody can purchase tickets
7. Whether or not the prize winner(s) will be selected at random
8. Description and approximate value of top prize

V. RELATED DOCUMENTS, FORMS AND TOOLS

South Dakota Codified Law §22-25-24

South Dakota Codified Law §22-25-25

City of Vermillion Raffle and Fundraising (lottery) Notification Form -

<https://www.vermillion.us/DocumentCenter/View/224/Raffle-and-Lottery-Notification-Request-PDF>

