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TO: DEPUTY DIRECTORS-GENERAL, CHIEF DIRECTORS, DIRECTORS (HEAD OFFICE AND DISTRICT OFFICES), CIRCUIT TEAM MANAGERS, IMG MANAGERS, PRINCIPALS AND GOVERNING BODY CHAIRPERSONS OF PUBLIC SCHOOLS

BRIEF SUMMARY: *To clarify fundraising methods used at public schools of the Western Cape Education Department.*

SUBJECT: USE OF RAFFLES BY SCHOOLS AS A FUNDRAISING METHOD

1. This circular has been revised and repeals **Circular 0120/1999** in its entirety.
2. Section 36(1) of the [South African Schools Act, 1996 \(Act 84 of 1996\)](#) states: "A governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the State in order to improve the quality of education provided by the school to all learners at the school."
3. In some instances schools make use of raffles in order to raise funds to supplement the income of the school.
4. Principals of all public schools are reminded that a raffle as a fundraising method can only be regarded as lawful under certain conditions.
5. According to the definition of a lottery, as it appears in the Lotteries Act, 1997 (Act 57 of 1997), a lottery includes any game, scheme, arrangement, system, plan, promotional competition or device for distributing prizes by lot or chance and any game, scheme, arrangement, system, plan, competition or device which the Minister concerned may, by notice in the Government Gazette, declare to be a lottery. By definition, a raffle as fundraising method can thus be regarded as a lottery.
6. However, Section 36 of the Lotteries Act, 1997 (Act 57 of 1997), makes provision for a lottery to be conducted legally without the intervention of the National Lotteries Board if it is conducted as incidental to an exempted entertainment. According to Section 36(2) of the above-mentioned act exempt entertainment means a bazaar, sale, fête, dinner, dance, sporting event or other entertainment of a similar character. A raffle, as a fundraising method, thus falls within this category and can only be legal if it is connected and additional to another fundraising method and if:
 - 6.1 All the proceeds of the entertainment, including the proceeds of the lottery, are utilised for the benefit of any deserving section of the public, after deducting-
 - 6.1.1 the expenses of the entertainment, excluding expenses incurred in connection with the lottery;
 - 6.1.2 the expenses incurred in printing tickets of the lottery and advertising of that lottery; and
 - 6.1.3 such sum, if any, not exceeding the prescribed amount for any expenses incurred in purchasing prizes for the lottery,
 - 6.2 None of the prizes in the lottery are money prizes.
 - 6.3 The total value of tickets sold or to be sold, is not more than the prescribed amount.
 - 6.4 The opportunity of participating in lotteries contemplated in this section, or such opportunity together with any other such opportunity of participating in lotteries or gambling, is not the only substantial inducement to persons to attend the entertainment.
 - 6.5 It is conducted for members of a society established and conducted for purposes not connected with lotteries, gambling or betting.
7. Section 2(2) of the Lotteries Act, 1997 (Act 57 of 1997) stipulates that an advertisement shall state-

- a. the purpose of the lottery incidental to exempt entertainment concerned;
 - b. the beneficiary of the lottery;
 - c. the price of the tickets;
 - d. where the tickets will be sold;
 - e. the closing date for participation in the lottery;
 - f. when the draw will take place;
 - g. the manner in which the winner(s) of the lottery shall be determined;
 - h. the prizes to be won in the lottery;
 - i. the fact that the determination of the winner(s) shall be final and that no correspondence in that regard shall be entered into;
 - j. the fact that prizes may not be exchanged for cash amounts;
 - k. the fact that all prizes shall be allocated; and
 - l. how the winner(s) shall be notified.
8. It is also recommended that, in view of openness and fairness, as a condition of participation in any form of raffle or lottery entertainment, the employees and relatives of employees of the school issuing the lottery, shall not in any way participate with the view to winning a prize.
 9. In view of the above, principals are requested to ensure that where raffles or lotteries are used as a way of raising funds to supplement the school's income, it is subsidiary to a function declared as an exempted entertainment as indicated in paragraph 6 above.
 10. Schools must continually make sure that they are acquainted with the provisions of the Lotteries Act, 1997 (Act 57 of 1997), and the National Gambling Act, 1996 (Act 33 of 1996), before using lotteries as a method of fundraising.
 11. It should be mentioned that any methods used to raise funds should not be contrary to the religious beliefs of learners and/or their parents.
 12. Should parents request not to participate in a specific fundraising project where raffles or lotteries are used, due to conscientious objection, they must be given the opportunity to contribute to the school funds in an alternative acceptable manner.
 13. Principals are requested to communicate the contents of this circular to all educators and members of governing bodies of their schools.

SIGNED: PA VINJEVOLD

HEAD: EDUCATION

DATE: 2015:08:11

Grand Central Towers, Lower Parliament Street, Private Bag X9114, Cape Town 8000
Please quote reference numbers in all correspondence
Employment and salary queries: 0861 92 33 22
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[South African Schools Act, 1996 \(Act 84 of 1996\)](#) (size: 255 KB)

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