

 VILLANOVA UNIVERSITY	Policy: Fund-Raising Raffles
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Financial Affairs Department Controller's Office Policies and Procedures	Approved: March 12, 2004

Policy

Any raffles that are conducted for the purpose of raising funds for the University or any of its departments must be conducted in accordance with the University's Policy and Procedures Related to Fund-Raising Raffles.

This policy requires that: 1) all proceeds from the sale of raffle tickets must be promptly deposited into approved University bank accounts (i.e., bank accounts which are part of the University's centralized bank account structure); and 2) all payments of raffle winnings must be made in accordance with Internal Revenue Service requirements.

Procedures

Before any type of fund-raising raffle is held, the department that is holding it must notify the Controller's Office as early in advance of the raffle as possible, to ensure that arrangements are in place to facilitate the appropriate IRS reporting (described below) with regards to the raffle.

If an individual is awarded a raffle prize with a fair market of \$600 or more, the University must report the value of the prize to the IRS on Form W-2G, and the University must provide the winner with a copy of the W-2G statement. The W-2G statement must include, along with certain other required information, the winner's name, address, taxpayer identification number, and the winner's signature. No prize may be awarded until the W-2G statement is completed. The University's copy of the W-2G must be forwarded to the Controller's Office for recordkeeping and reporting purposes.

If an individual is awarded a raffle prize with a fair market of \$5,000 or more, in addition to the requirement that a W-2G be issued, the University is required to withhold tax on the fair market value of the winnings. To comply with this requirement, the raffle winner must pay the University the amount of the tax which is required to be withheld. No prize may be awarded until the W-2G statement is completed and the tax withholding payment is made to the University. Again, the Controller's Office must be notified as early in advance of the raffle as possible, to ensure that arrangements are in place to facilitate the appropriate IRS reporting and tax withholding, and the University's copy of the W-2G must be forwarded to the Controller's Office for recordkeeping and reporting purposes.