

VIII. FUNDRAISING

1. Fundraising Overview

Most Parishes seek to raise funds to supplement other revenue to cover the operating expenses of the Parish. Before undertaking any fundraising activity, Parishes should plan ahead by creating a budget for each fundraising activity to determine if the net proceeds warrant the time, resources and efforts required for conducting a successful fundraising activity.

There are a wide range of fundraising activities that Parishes have traditionally conducted in the Diocese of Bridgeport, including:

- **Raffles**
- **Bingo**
- **Bazaar/Carnival**
- **Sealed Ticket games**
- **Food** (e.g. cake sales, pancake breakfast, pasta dinner, catered meals)
- **Temporary liquor (beer) permit**
- **Scrip vouchers**

This chapter will assist Parish personnel in planning for, conducting, and properly recording the revenue, expenses and net proceeds of fundraising activity in the Parish accounting system. Parish personnel **must** be aware that there are State and local regulations concerning permits, licenses, fees, and other rules with which they must comply. This chapter addresses State of Connecticut and general municipal regulations.

Please note:

- **“Las Vegas Nights” are no longer permitted**, as charitable gambling is now prohibited by Connecticut Law.
- A Parish is allowed **five (5) days** exempt from sales tax per calendar year. A day is defined as any uninterrupted period of 24 hours or less, or any period that begins and ends within a single calendar day. On these days,



sales of personal property (e.g. at tag sales) and food and beverages are exempt from sales tax. Sales on additional days (six days or more) are subject to sales tax.

- Form W-2G **must** be issued to the winners of cash, goods, or services of **\$1,200** or more for Bingo and **\$600** or more for other prizes.

Fundraising activities have three basic administrative components:

- Planning
- Federal, State, and local compliance
- Cash management, accounting, and recordkeeping

The following sections of this chapter address six basic fundraising activities and the basic administrative components of each. Each activity has an Appendix of supporting documents, located at the end of this chapter.



2. Raffles

2.1 Overview

A raffle involves many people purchasing tickets for a chance to win a certain prize or prizes.

All raffles are subject to applying for a permit from the State of Connecticut. **It is suggested that 10 weeks be allowed for approval of Raffle permits by the State. The Raffle CANNOT be conducted without receipt of the permit.**

Prior to applying for a permit, a Parish should review the following:

- Identify the prize(s) to be raffled.
- Design the raffle ticket (*see Appendix at the end of this chapter: Instructions to Complete a Raffle Application*).
- Select a printing company to draft a ticket mock-up for the State of Connecticut.
- Establish a start- and end-date for the ticket sales. This information is needed in the application process.
- Obtain an invoice for the number of tickets estimated to be printed (*even though the ticket has not been approved, the State requires an invoice to be submitted with the application*).

Solicitations of raffle tickets by mail are prohibited.

2.2 Source of Forms and Information

Contact the State Department of Revenue Services: (800) 338-6331 for Applications, instructions for completing Administration Regulations and General Statutes of Connecticut documentation, *or*

Visit the State of Connecticut website: www.ct.gov/dosr, and click on "Licenses & Permits."

2.3 Tasks to be completed by the Parish

Complete the following forms (*located in the Appendix at the end of this chapter*):

- Application for Permit (form CGR-2. Bazaar and Raffle Permit use the same form: fill out the appropriate section).



- Statement of Active Members (form CGR-2A).

Bring two sets of the following to the Police Station, together with checks for the fees:

- Copy of Certificate 119: CT Sales & Use Tax Exemption Permit (*a new form*).
- Sample raffle ticket.
- Copy of invoice for cost of raffle tickets.
- Permit fees payable to your local municipality.

The Police will mail the appropriate data to the Division of Special Revenue. It may take up to 10 weeks to receive these.

Permit Fees are made payable to the “Division of Special Revenue.” Fees are determined by class of permit requested. Classes are listed in sec. 7-185-4b, fees listed in 7-185-6b of the Administrative Regulations for Bazaars & Raffles (*see Appendix at the end of this chapter*).

The Parish should print tickets **only after** notification is received from the State that the permit has been approved.

- Keep a record of the first and last ticket printed.
- Keep a copy of all data submitted for your records.
- Submit Verified Raffle Statement (*form CGF-7*) within 30 days after event.

2.4 Other Information

Persons promoting or selling tickets **must be 18 years or older**.

Continue with section 9, “Cash Management,” below.

Appendix with documents on Raffles located at the end of this chapter.



3. Bingo

3.1 Overview

Bingo is a game of chance where randomly-selected numbers are drawn and game participants match those numbers to those appearing on 5x5 matrices which are printed or electronically represented and known as “cards.”

All Parish Bingo fundraisers are subject to applying for permits from the State of Connecticut. A Bingo permit is used to satisfy State eligibility requirements for Bingo and may also be used for the sale of Sealed Tickets for one-event use (*Sealed tickets [see 5 below] can **only** be sold in conjunction with Bingo or a Bazaar.*)

It is suggested that 10 weeks be allowed for approval of Bingo permits by the State. Bingo CANNOT be conducted without receipt of the permit.

For ongoing Bingo events, a Parish is required by Connecticut law to maintain a separate checking account to record all income and expenses associated with the Bingo events (*a separate checking account is not needed if the permit is for a one-time event*).

3.2 Source of Information, Forms and Applications

Contact the State Department of Revenue Services: (800) 338-6331 for Applications, instructions for completing Administration Regulations and General Statutes of CT documentation, *or*

Visit the State of Connecticut website: www.ct.gov/dosr, and click on Licenses & Permits.

3.3 Tasks to be completed by the Parish

Parishes should mail the following completed forms (*located in the Appendix at the end of this chapter*) to the Division of Special Revenue at least 10 weeks before the event:

First-Time Applicants:

Use Application for Registration (form CGB-1).



First-time Applicants and Recurring Applicants:

- Application for Permit (form CGB-4). This **must** be notarized.
- Bingo Application Supplemental Form (form CGB-4B).
- Bingo Prize Sheet.
- Bingo Price Sheet.
- Application for Personal Identification Number (PIN) (form CGB-2 for each worker).
- Notice of Statement of Applicant (form CGB/S-2A for each worker).
- Permit Fees payable to the Division of Special Revenue for class of permit requested (fees listed on permit application).
- Copy of the organization's State Sales & Use Tax Exemption Permit.
- Sample admission card, sheet or ticket.
- Submit Sealed Ticket permit 10 days later, if applying for both.
- Keep copies of all data submitted for your records.
- Conspicuously post permits/notices provided by the State at all events.
- Submit the Ten Day Bingo Report (form CGF-1) within 10 days after event, including the fee due to the State according to the profit made.

3.3 Other information

- Persons promoting or working at Bingo must be 18 years or older.
- PIN #'s can be used in consecutive years.
- State gaming staff will contact Parish personnel responsible for Bingo prior to event.

Continue with section 9, "Cash Management," below.

Appendix with documents on Bingo located at the end of this chapter.



4. Bazaars and Carnivals

4.1 Overview

A Bazaar permit is used to comply with State of Connecticut eligibility requirements for a Bazaar/Carnival event.

This permit is necessary to conduct at least one game of chance, e.g. a Jar Game, Straw Booth, etc. (Note: winner must be present at these games). **It is suggested that 10 weeks be allowed for approval of Bazaar/ Carnival permits by the State. A Bazaar or Carnival CANNOT be conducted without receipt of the permit.**

4.2 Source of Information, Forms and Applications

Contact the State Department of Revenue Services: (800) 338-6331 for Applications, instructions for completing Administration Regulations and General Statutes of CT documentation, *or*

Visit the State of Connecticut website: www.ct.gov/dosr, and click on Licenses & Permits

4.3 Tasks to be completed by the Parish

Complete the following forms (*found in the Appendix at the end of this chapter*):

- Application for Permit (form CGR-2. Bazaar and Raffle Permit use the same form; fill out appropriate sections).
- Statement of Active Members (form CGR-2A).
- Bazaar Activity/Worker Sheet (form CGR-2B).
- Other forms may be necessary depending on type of games.

Bring the following to the Police Station, together with checks for the fees:

- Permit Fees payable to your local municipality
- Permit Fees are made payable to the “Division of Special Revenue.” Fees are determined by the class of permit requested. Classes are listed in sec. 7-185-4b, fees listed in 7-185-6b of the Administrative Regulations for Bazaars & Raffles (*see Appendix at the end of this chapter*).



Submit Sealed Ticket Permit to the police 10 days later if applying for both.

It is suggested that 10 weeks be allowed for approval of permits by the state. The Police will mail the appropriate data to the Division of Special Revenue.

Keep a copy for your records of all data submitted.

Conspicuously post permits/notices provided by the State at the event.

Submit the Verified Bazaar Statement (form CGF-6) within 30 days after the event.

4.4 Other Information

- Persons promoting or selling tickets must be 18 years or older.
- All games of chance must be physically located in the same general area of the bazaar/carnival event.
- State gaming staff will contact Parish personnel in charge prior to the event.

Continue with section 9, “Cash Management,” below.

Appendix with documents on Bazaars and Carnivals located at the end of this chapter.



5. Sealed Tickets

5.1 Overview

A sealed ticket game can be defined as a card which, when pulled or scratched, reveals pictures of various objects, symbols, or numbers and which entitles the holder of the ticket to receive a prize if the combination of objects, symbols or numbers pictured matches what is determined to be a winning combination.

Sealed ticket games are another source of gaming revenue regulated by the State of Connecticut and are **only** conducted in conjunction with Bingo and/or raffle events.

A Bingo or Bazaar Permit may be used to satisfy State eligibility requirements for the sale of Sealed Tickets for one event use

Bear in mind that, since a Bingo or Bazaar permit MUST be obtained to sell Sealed Tickets, it can take up to 10 weeks for permit approvals from the State. Sealed tickets can ONLY be sold in conjunction with Bingo or a Bazaar.

5.2 Source of Information, Forms and Applications

Contact the State Department of Revenue Services: (800) 338-6331 for Applications, instructions for completing Administration Regulations and General Statutes of CT documentation, *or*

Visit the State of Connecticut website: www.ct.gov/dosr, and click on Licenses & Permits

5.3 Tasks to be completed by the Parish

Mail the following completed forms to the Division of Special Revenue **10 days after** the Bazaar or Bingo permit has been submitted (*forms are found in the Appendix at the end of this chapter*):

- Application for Permit (form CGS-4 for a one time event.) This **must** be notarized.
- Application for Permit (form CGS-4A for a monthly event). This **must** be notarized.
- Sealed Ticket Application Supplemental Form (form CGS-4C).



- Application for Permit to Sell Sealed Tickets – Individual (form CGS-2 for each worker).
- Notice of Statement of Applicant (form CGB/S-2A for each worker).
- Sealed Ticket Purchase Order (form CGO-1).
- Permit Fees payable to the “Division of Special Revenue.” Fees are determined by the class of permit requested. Classes are listed on page 3 of the Instructions for Completion of the Sealed Ticket Application Supplemental Form (see *Appendix at the end of this chapter*).

After the Sealed Ticket Permit is approved, the state will send Purchase Order forms and available tickets. Return the Purchase Order forms and the selected tickets to the State.

Tickets arrive by UPS within 3-4 days from the time the Purchase Order is received, or they can be picked up in Newington, CT.

Keep copies of all data submitted for your records.

Conspicuously post permits/notices provided by the State at the Bingo or Bazaar event.

5.4 Other Information

- Persons promoting or selling Sealed Tickets must be 18 years or older.
- *ISP #'s* (number given to a worker) can be used in consecutive years.
- State gaming staff will contact Parish personnel responsible prior to the event.
- A separate Checking Account is **not** needed if this permit is for a one-time event, but Sealed Ticket proceeds should be deposited separately from Bingo/Bazaar proceeds.

Continue with section 9, “Cash Management,” below.

Appendix with documents on Sealed Tickets located at the end of this chapter.



6. Temporary Liquor (Beer) Permit

6.1 Overview

If a Parish is considering the sale of liquor or beer when conducting Parish events of any kind, please note that State of Connecticut regulations apply.

Contact your local Police or Municipality for timeline and procedures. Forms and fees may need to be filed 10 weeks before the event and with different departments.

6.2 Source of Information, Forms and Applications

Contact State Department of Liquor Control: (860) 713-6200 for an application and instructions for completing, *or*

Visit the State of Connecticut website: www.ct.gov/dcp/cwp, click on Application Forms; click on Liquor Permits; click on Temporary Liquor Permits.

6.3 Tasks to be completed by the Parish

- Parishes must comply with the procedures for submission of permit application and sketch of the layout of the premises where liquor (beer) will be sold.
- Ten weeks before the event, bring two sets of the following, together with checks for the fees, to the Police Station or Municipal office. The Police will mail the appropriate data to the Division of Special Revenue:
 - Application for Temporary Liquor Permit (*form CPLTP-01*).
 - Permit Fees payable to the Department of Liquor Control for \$25, includes \$10 filing fee and \$15 Temporary Permit fee.
 - Permit Fees payable to your local Police Department and/or Municipality.
- Keep a copy of data filed for your records.



- **Note: Cash may not be exchanged at the point of purchase for alcoholic beverages. A ticket booth is required to sell tickets intended for the use/purchase of alcoholic beverages.**
- Conspicuously post the permit on the day of the event.

Continue with section 9, “Cash Management,” below.



7. Food

Historically, the sale of prepared foods has been a key component of traditional fund-raising activity for many Parishes. Prior to conducting any event such as pancake breakfasts and pasta dinners where food is sold on Parish premises and is deemed a fundraiser, please note that each municipality has regulations that may apply.

Accordingly, Parish personnel should always call the local health department to determine if there are any permits or licenses required for the preparation and sale of any food. Contact your local health department or municipality regarding its rules on the sale of food.

Food sales may be subject to sales tax. The non-profit organization sales tax exemption applies to five (5) fundraising events during any calendar year. Additional events (number 6 and above) are subject to sales tax.

Continue with section 9, “Cash Management,” below.



8. Scrip Vouchers

Some Parishes sell “scrip vouchers” from grocery stores or fast food chains as a fund-raising activity. The Parish purchases the gift cards or certificates at a discount, generally paying 90% to 96% of the face value, and sells them to parishioners at face value. The Parish earns an amount equal to the discount.

8.1 Purchases

Parishes may purchase certificates directly, while other Parishes may purchase their certificates through an agent. An agent purchases the certificates, delivers them to the Parish and charges a fee for the service.

By taking orders and collecting payments in advance, the Parish does not have to use Parish funds for the certificates it sells.

8.2 Volunteers

Scrip voucher activity constitutes a resale program. Accordingly, this fund raising program must be run by volunteers.

Adherence to this regulation will prevent the Parish from earning income which the IRS might deem to be a taxable event (technically, it is called “unrelated business income”).

8.3 Recordkeeping

Since scrip voucher programs involve large sums of money, purchases and sales must be part of the accounting records of the Parish Accounting System.

The purchases of scrip vouchers should be entered in account 1202 – Inventory of Scrip Vouchers. As scrips are sold, the inventory is reduced and the expense is increased, e.g. Food store vouchers cost \$900: Inventory is reduced by \$900 and Food & Beverage expense is increased by \$900.

Scrip voucher sales should be entered in account 4124 - Scrip Voucher Fundraisers.

The volunteer in charge must keep a record of the number of scrip vouchers on hand, the number sold each week, the monies collected, deposited and expended and the net proceeds. The records should be



reconciled at least monthly to the Parish Accounting System. **Complete and accurate financial records are essential.**

8.4 Safeguarding Scrip Vouchers and Cash

Scrip vouchers are the equivalent of cash and thus must be safeguarded in a like manner. To prevent loss, unsold scrip vouchers should be put in the Parish safe as soon as sales are concluded. The money collected should be put in the safe until it is deposited in the bank.

Good financial control requires someone who is not involved in scrip voucher sales to reconcile, at least monthly, the physical inventory of vouchers, with the transactions recorded in the Parish Accounting System. This inventory process would be unannounced.

Continue with section 9, “Cash Management,” below.



9. Cash Management

Exercising good cash management and controls are critical at any Parish fund raising activity to prevent pilferage, loss and possible theft.

- It is advisable, especially at a function such as a Carnival or Bazaar, to operate cash collection station(s)/booths to sell tickets to be used to purchase any items at the event.
- Ride tickets or wrist bands are usually provided by the Rides Contractor and sold from a booth provided by the contractor. Personnel operating the booth must be provided by the Parish, and the receipts will be handled the same way as the other cash collection stations.
- Ride tickets are numbered and will determine what percentage of the receipts will be given to the contractor. The percentage shared by the Parish and the ride contractor is set forth in the signed contract.
- Vendors who sell their products at the carnival/bazaar will either pay a rental/space fee or share the receipts with the Parish. If the agreement stipulates a percentage sharing, the receipts from these vendors must be kept separate from the other receipts.
- Two or more Parish event personnel should be scheduled to pick up the accumulated cash at least every hour, more frequently if the attendance is large.
- Cash collected should be brought to a secure area where a cash management team will count, log, stamp (endorse) any checks and secure the receipts in a locked safe or cabinet.
- Start money for the next day's event should be set up and placed in a secure safe or cabinet.
- For a multiple day function, receipts for the day should be deposited at the end of that day.



10. Accounting

The gross amount of all receipts and the gross amount of all expenditures will be recorded in the Parish Accounting System as required by law.

- For each fund-raising activity, a sub-class should be established, such as Carnival, Bazaar, fund raising dinners, etc. In addition, a Parish may set up a further sub-division for the activities, such as food, liquor, games, etc.
- Appropriate account numbers will be used (*see Chart of Accounts*). No new account number will be created without approval from Parish Finance Services.
- All invoices for fund-raising events will be processed through the QuickBooks Parish Accounting System. Existing account numbers will be used, and Functional Activities (Classes) will be used to distinguish normal Parish operating costs from fundraising expenses.

11. Recordkeeping

Accurate recordkeeping is essential if Parishes are to comply with Connecticut, Local, and Federal regulation requirements.

- Parishes are required to generate a report on any fundraising event to the Pastor, Parish Finance Council, Parish Pastoral Council, and parishioners and document the results of each fundraising activity.
- Reports should be used to determine if the event achieved the budgeted net proceeds target, and how to modify the event to achieve the best results going forward.
- Parishes should prepare the required Connecticut State reports within the specified time period – usually 10 to 30 days after the event, depending on the type of fundraiser.

