

# GUIDELINE FOR FUNDRAISING LOTTERY

————— Society Lottery



NATIONAL LOTTERIES COMMISSION

a member of *the dtic* group

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# PART ONE

## FUNDRAISING LOTTERY GUIDELINE

# 1. OVERVIEW

The National Lotteries Commission (NLC) is the regulator established in terms of the Lotteries Act 57 of 1997 (as amended) to regulate lotteries and sports pools. The Fundraising Lottery (Society Lottery) is a lottery in-terms of the Lotteries Act, therefore the NLC has the power and authority to regulate Fundraising Lotteries.

The purpose of this document is to provide guideline to Non-Profit Organisations (NPOs) intending to raise funds through the game of chance (lottery). In terms of the Lotteries Act this form of a lottery is known as a Society Lottery. However, for purposes of this guideline and simplicity we'll refer to it as Fundraising Lottery. A step-by-step approach in this guide is outlined by providing the tools and guideline that will assist one to execute a Fundraising Lottery. Before we commence with the guideline on fundraising lottery, let us first discuss the purpose of fundraising.

## 1.1 What is fundraising?

Fundraising is a process of gathering charitable contributions in the form of money or other resources. This can be done by requesting grants or donations from Individuals, Businesses, Charitable Foundations or Governmental Agencies. Other means of fundraising may include, but is not limited to, conducting special events and selling tickets to the public.

## 1.2 What is the purpose of fundraising?

The purpose of fundraising is to obtain financial resources to support a good cause. This will help the organisation to run day to day operations and to fund good causes such as poverty alleviation or caring for persons with disability.

## 1.3 What is a Fundraising Lottery?

A Fundraising Lottery is a fundraising scheme where participants are required to donate to a good cause for a chance to win a prize. These schemes are usually conducted through a sale of tickets or monthly contributions.

## 1.4 Who can conduct a Fundraising Lottery?

Any NPO intending to raise funds for good causes through game of chance and distributing prizes. To be eligible to conduct a Fundraising Lottery Schemes, an organisation must apply for registration with the NLC.

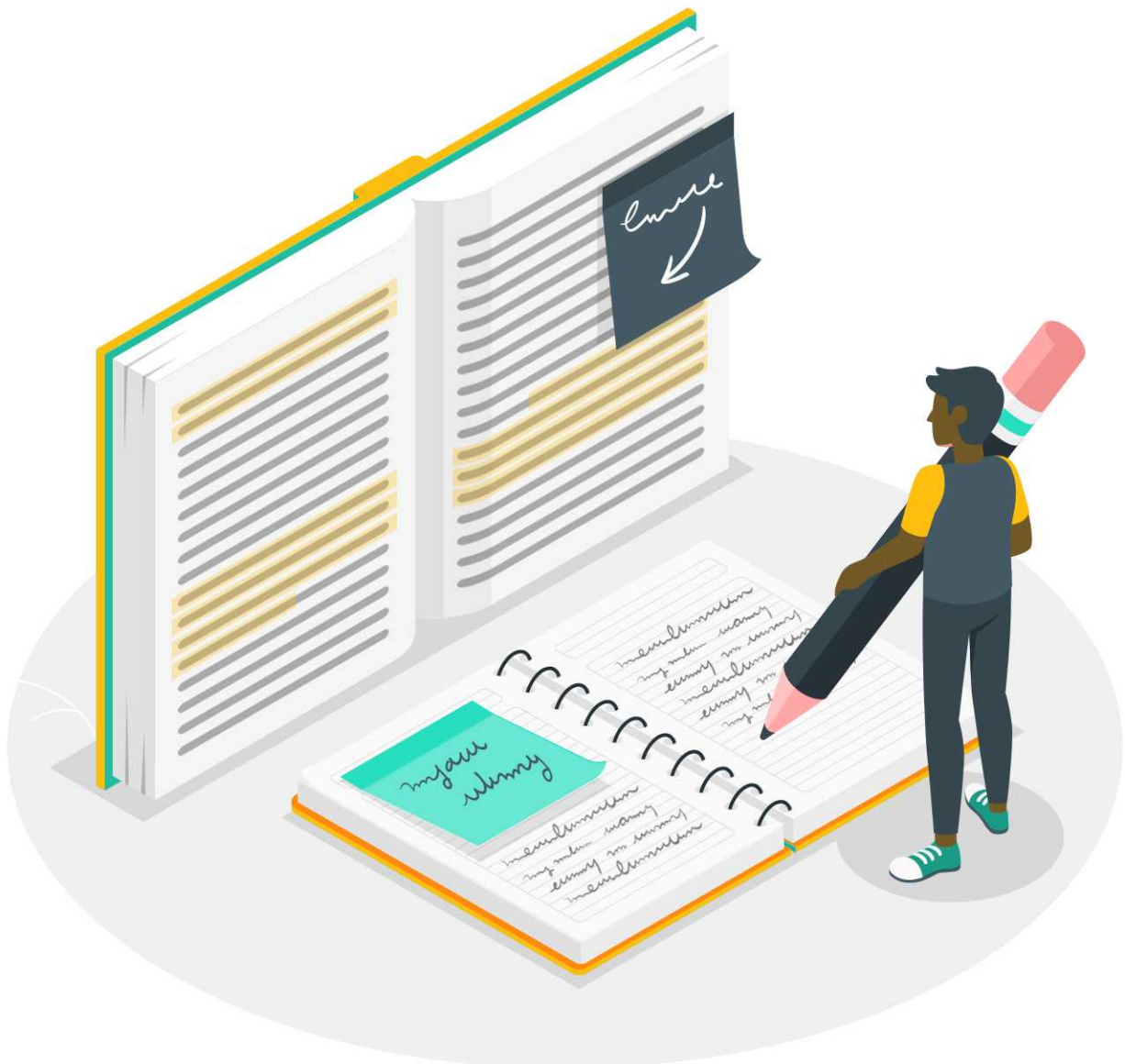


To date the NLC has successfully registered fundraising scheme for the following type of organisations:

- Non-Profit Organisations
- Schools

## 2. HOW TO PLAN FOR A FUNDRAISING LOTTERY

Before you start reading this guide, make sure that you are in a quiet place so that you can read and learn. Take a pen or pencil with you in case you get an idea that may fit in your organisation. Sometimes we get great ideas in our head, but we don't write them down and after a while we forget about them.





### 3. IMPORTANT QUESTIONS AND ANSWERS

First things first, it is important to understand exactly what a Fundraising Lottery is. We all need to know what the bigger picture is before we start reading. As human beings we like to see everything at once in order to make sense of the information. When you follow these steps in a logical order, you will know for sure how to conduct a Fundraising Lottery. Ready?

Below are the main questions and under each main step are activities, and so on.

| Questions                                                                                 | Answers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Who in your organisation will be responsible for managing your fundraising?</b></p> | <p>If an organisation wishes to employ an internal or external Lottery Manager to run its lotteries, it is free to do so. An internal Lottery Manager is a manager that is part of the Fundraising Lottery Scheme and an external Lottery Manager is one that is not part of the organisation, however is certified by the NLC to be fit and proper. Such managers are only permitted by law to manage lotteries provided they hold the necessary certification issued by the NLC.</p> <p>You can decide who your fundraising manager is i.e. an administrator or financial manager.</p> |

| Questions                                                       | Answers                                                                                                                                                                                        |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>What do we want to achieve?</b>                              | We want to raise money for a good cause, for example: You are an organisation caring for persons with disability, you want to raise money to buy wheelchairs for persons with disability.      |
| <b>What will the prize be?</b>                                  | The prize can range from cash, holiday voucher, a fridge and other items not mentioned.                                                                                                        |
| <b>How are you going obtain or fund a prize?</b>                | The prize can be bought or sponsored.                                                                                                                                                          |
| <b>Who are the people who are likely to buy the tickets?</b>    | People who usually support your cause are more likely to buy tickets                                                                                                                           |
| <b>How are you going to raise funds?</b>                        | Funds can be raised by selling of tickets. It is important to decide how many tickets you intend to sell and how much will be the price for your ticket to ensure that you raise enough funds. |
| <b>How will you market your fundraising lottery?</b>            | You should think about the most efficient and effective way of making your Fundraising Lottery known by the people who are likely to support your cause                                        |
| <b>What will be your method of selling tickets?</b>             | You can sell tickets from your premises or any online platform, including social media.                                                                                                        |
| <b>What is the duration of your Fundraising Lottery scheme?</b> | You should think about when is the start date and when is your closing date. Taking note that any fundraising lottery can only run between January to December.                                |
| <b>How will you award the prize?</b>                            | To do this you have to think about the draw date and the method (e.g. computerised system) of conducting the draw, as well as announcement of the winner.                                      |
| <b>How to announce a winner?</b>                                | This could be done through direct communication through local newspapers, telephonically or even using various online methods.                                                                 |

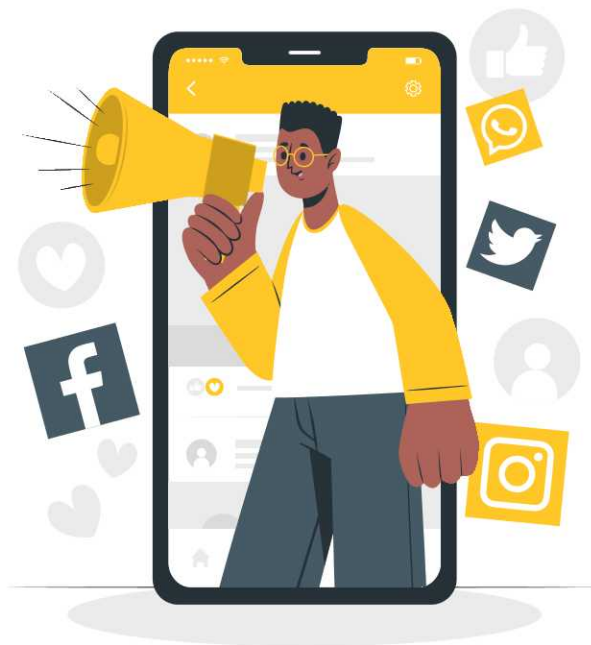
Once you have decided on your fundraising scheme, then you are ready to complete the Fundraising Lottery application forms



# **PART TWO**



TOOLS TO CONDUCT A  
FUNDRAISING LOTTERY



## 2.1 MARKETING

An organisation conducting a Fundraising Lottery might not have a huge marketing budget like private companies. More often than not, these organisations will not have a marketing budget and may solely rely on word of mouth for the public to participate in the Fundraising Lottery scheme. These basic advertising, marketing and communication strategies for novices have been designed to fill that gap.

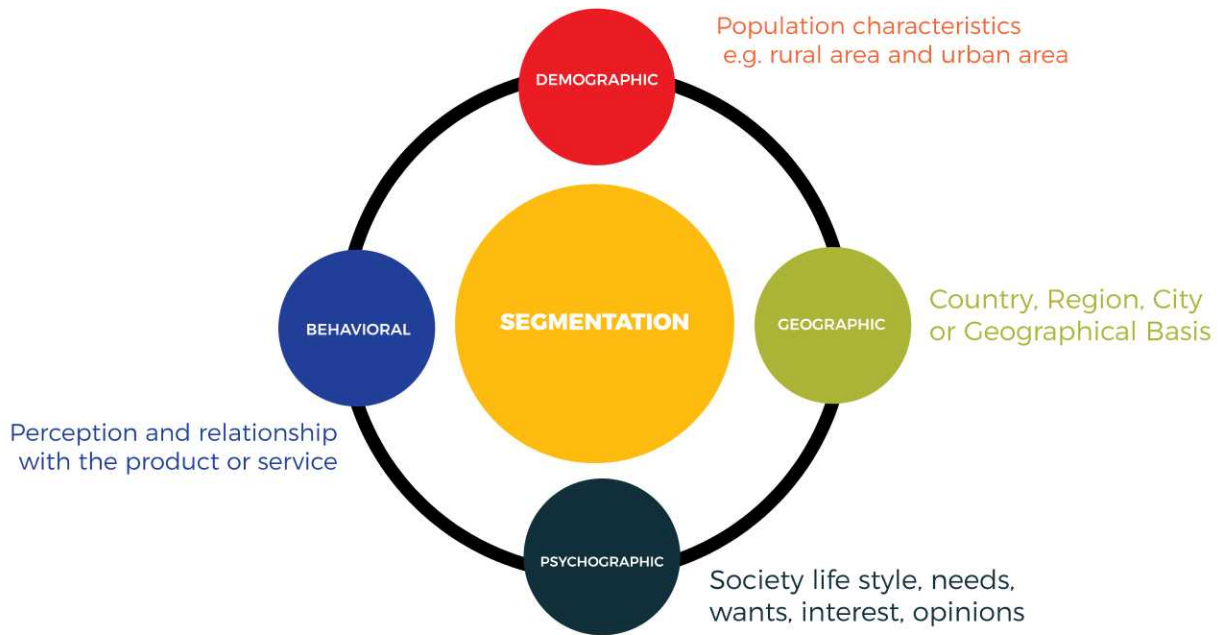
## 2.2 ADVERTISING

Promotion of Fundraising Lotteries require some level of planning and consideration as it can be a costly exercise if not planned well. Traditional Advertising is very expensive and with the birth of social media and taking into consideration the 4th Industrial Revolution the costs of advertising have come drastically down and a potential large audience can be reached in a short space of time with a relative success of the Fundraising lottery scheme guaranteed if the scheme is reaching the correct target market. There are many things to consider when it comes to advertising a Fundraising Lottery Scheme. Below are some guidelines that can assist you to kick off the process:

| MARKETING ADVERTISING CAMPAIGN                                                                                                                                                                              | USING ONLINE ADVERTISING                                                                                                                                                    | USING TRADITIONAL ADVERTISING                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Know Your Audience</li> <li>• Decide on the location</li> <li>• Draw up a budget</li> <li>• Test your Advertisement</li> <li>• Think about your message</li> </ul> | <ul style="list-style-type: none"> <li>• Build a great website</li> <li>• Use social media</li> <li>• Take advantage of blogging</li> <li>• Buy an advertisement</li> </ul> | <ul style="list-style-type: none"> <li>• Newspapers</li> <li>• Billboards</li> <li>• Television</li> <li>• Radio</li> <li>• Flyers</li> </ul> |

## 2.3 COMMUNICATION METHODS

There are various ways you can communicate to your target audience. We refer here to the concept of market segmentation. There are 5 potential market divisions:



Ways of different communication methods that are in line with your market segmentation will vary depending on the different market divisions of an organisation.

**Typical examples of communication method include:**

-  1. Cellphone
-  2. The internet
-  3. Email
-  4. Church or community organisations
-  5. Brochures
-  6. Door to door

### Note Before:

**It is critical that a communication plan must be outlined by the Fundraising Lottery in the scheme that they propose to the NLC to ensure that the public that participate in the Fundraising Lottery scheme are made aware of the developments from the beginning to the end of the scheme as per the rules stipulated by the scheme which have been approved by the NLC.**



## 2.4 SELLING OF TICKETS

Always follow the requirements as stipulated in the Lotteries Act. When selling tickets there are a variety of different methods you can use to ensure you accommodate different target audiences and segmentations:

### **Method 1: Physical address of organisation or selected Distribution Points**

Participants who prefer to go to the physical address of that organisation provision should be made to pay cash or by card at the offices or selected distribution points pronounced at the beginning of the scheme. Distribution points could be local shops, churches, schools etc.

### **Method 3: Electronic Funds Transfer (EFT)**

Tickets can be paid through online internet banking using Electronic Fund Transfer (EFT) payments.

### **Method 5: Automated Teller Machine (ATM) Deposit**

Automated Teller Machine (ATM) deposits can be made into the organisations bank account

### **Method 2: Bank Deposit**

Tickets can be purchased by means of depositing money into the bank account of the organisation.

### **Method 4: Post**

Participants who cannot go physically to the office of the organisation, may want to post a cheque and buy a ticket. This will normally be the older generation who does not understand technology.

### **Method 6: Airtime**

Airtime can be used to purchase tickets. The necessary technological systems should be activated such as SMS (Short Messaging System) prepaid airtime or dialing a certain number.



#### **Note Before:**

**For any method selected for the selling of tickets it is important that the participants obtain the actual ticket even if it is electronic. The rules of the Fundraising Lottery Scheme must be clearly outlined on the ticket.**



## 2.5 ANNOUNCEMENT OF WINNERS

After the selling of tickets and the closing date and time is reached, the draw must be held to determine and announce the winner/s. The announcements can be done in the following different ways:

- Announce the prize winner/s at the draw venue
- Calling the prize winner/s
- Social Media Announcement
- Short Message Service (SMS)
- WhatsApp
- Local newspaper
- Local bulletin including municipal buildings, shops, churches or schools



### **Note Before:**

**It is critical that the terms and conditions of the scheme are written out on the front or back of the ticket so that the participants are aware and that the rules approved by the NLC do not change after the opening of the ticket sales. We gave you some nice examples that you can apply when conducting a Fundraising Lottery.**

## 2.6 PRIZE GIVING

The organisation must ensure that the winner/s has been awarded the prize at the end of the scheme. Creativity can be used in determining the prize for the scheme. Below are some ideas of prizes:

- Cash Prize/s
- Holiday Give-Aways
- Cars
- Bicycles
- Bursary
- School Stationary, School Uniform or Education Trip
- Holidays
- Furniture, Electronic or Electrical Appliances



### **Note Before:**

**Other schemes might have rules that the winner of the prize must be present when they are announced or there would be a redraw so it is critical that the rules be understood by the participants.**



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