

## Contests and Games Policy

CLA recognizes that from time to time it may want to use various contests or games as a mechanism to provide additional member engagement. These include opportunity drawings, sweepstakes, fundraisers,<sup>1</sup> contests, raffles, casino, or card gaming nights (e.g. poker night), limited giveaways and other incentives for participation (collectively "contests or games"). Many of these contests or games require special registration, are regulated by state and/or federal law, or may impact the Association's tax status. Therefore, they need to be carefully considered and handled with particular care as failure to comply with the requirements could create legal jeopardy for the Association.

Given the complexity of external requirements surrounding these contests or games, the CLA has charged the Executive Director ("ED") and/or the Associate Executive Director ("AED") to be the Association's experts<sup>2</sup> regarding compliance with any laws, registration, and other necessary requirements for these activities. They are available to provide guidance, and best practice advice to any CLA group wishing to utilize contests or games. Volunteers considering utilizing contests or games are encouraged to connect with the Executive Director or Associate Executive Director, either directly or through their Section Coordinator or other internal team liaison, as soon as practicable to discuss which contest or game may be most effective given requirements, timelines, and the Association's history with various approaches.

If the Association (including its sections and/or committees) considers utilizing any contests or games, they may do so only with the approval of the Executive Director or the Associate Executive Director to ensure there are no legal or timing issues surrounding the request.<sup>3</sup>

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<sup>1</sup> Fundraisers may need to be handled in collaboration with the California Lawyers Foundation, a separate 501(c)3 organization.

<sup>2</sup> And/or engage outside experts if necessary.

<sup>3</sup> It is the intent of this policy to facilitate the approval of contests or games and compliance with the law, regulation and timing requirements. It is not the intent of the ED or AED to unreasonably withhold approval if these conditions are met. In the rare event that a game or contest cannot be approved, the ED or AED will work collaboratively with the section to provide guidance on options that can be approved within the legal parameters and timing provided.

The following are definitions of various contests and games covered by this policy:

**“Promotion”**: an umbrella term for any promotional or fundraising activity or campaign, such as sweepstakes, contests, games or raffles;

**“Game”**: an event, such as a Trivia Game, Cooking Contest or Poker Night where no prize is awarded (i.e., bragging rights only) or a token prize (such as a plastic medal or small award) is awarded;

**“Lottery”**: a promotion consisting of 3 elements: prize, chance, and consideration. Private lotteries are prohibited in all states and under federal law;

**“Sweepstakes”**: game of chance. Winner(s) is/are generally selected by random drawing and must not require consideration (or it will be considered an illegal lottery). The aggregate value of the prizes may not exceed \$5,000;

**“Contest”**: game of skill (e.g., marathon, treasure hunt, or photo contest). Requires objective judging criteria (we cannot simply pick “our favorite” or “the best”);

**“Raffle”**: a type of lottery in which prizes are awarded to people who pay for a chance to win. As an exception to the illegal lottery prohibition, charities and certain private nonprofits may conduct raffles in California to raise funds for beneficial or charitable purposes;

**“Fundraisers” including Silent Auctions”**: where the goal is to raise funds for a specific purpose or cause. A silent auction is a type of fundraiser where only the person willing to pay the highest bid amount can obtain the item. These activities are subject to very specific regulations and may only take place after a 501(c)6 organization has been in place for a certain number of years. Any fundraising activity may need to be handled in collaboration with the California Lawyers Foundation, a separate 501(c)3 organization.

**“Sponsor”**: entity who conducts, administers, and is legally responsible for a Promotion. The Sponsor must be identified in the Promotion Official Rules. At CLA, the “Sponsor” will be the Association as only the Association has legal standing.

