Liquor, Cannabis, & Gambling

YOUR FUNDRAISING EVENT

Know the Rules

Office of the Secretary of State
Kim Wyman

WASHINGTON NONPROFITS

Wayfind™

In partnership with

Washington State
Liquor and Cannabis Board

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Event Planner

Use this event planner to write down what you hope to do at your event. Then read through this toolkit and decide if you are allowed to this and what would be involved. Note your final plan.

Name of event: _____ Location: _____

Question	Original plan	Is this okay?	Final plan
ALCOHOL			
Is this public or private?			
Where will alcohol appear at your event?			
– open bar			
– no-host bar			
– by bottle on tables			
– silent auction			
– live auction			
– games			
Considering where alcohol will appear at your event, what license(s)/permit(s) will you need to cover your event?			
Where will you get the alcohol?			
Who will serve the alcohol?			
How will you account for alcohol in the ticket price?			
How will you ensure that public safety rules are followed?			
GAMBLING			
Will you have a raffle?			
Will you have games?			

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Information about agencies and how to apply for licenses

Washington State Liquor and Cannabis Board

3000 Pacific Avenue SE
Olympia, WA 98504
(360) 664-1600
https://lcb.wa.gov

Special Occasion License: **https://lcb.wa.gov/licensing/special-occasion-licenses**
Banquet Permit: **https://lcb.wa.gov/licensing/banquet-permits**
Permit to Raffle Liquor: **https://lcb.wa.gov/licensing/permits**

Washington State Gambling Commission

PO Box 42400
Olympia, WA 98504
(360) 486-3440
(800) 345-2529

https://wsgc.wa.gov
https://www.wsgc.wa.gov/licensing/training-requirements/non-profit-organization-training

Raffle License: **https://wsgc.wa.gov/licensing/apply-license**

Remember that if you are serving food, you may also need a food handler's license from your county health department.

IMPORTANT NOTE

This information is provided for educational purposes only. It does not constitute legal advice. If you are unsure about anything covered in this toolkit, we suggest that you contact the appropriate agency or an attorney. Wayfind is a great place to start: ***wayfindlegal.org****.*

THANK YOU!

We are grateful to the following people who have contributed information and editing to this toolkit: Beth Lehman (WSLCB), Brian Lane (WSGC), Joe Huether (Columbia County Community Network), Steve Frol (Minnick Hayner), and Margaret Meps Schulte (3 Choices Creative Communications).

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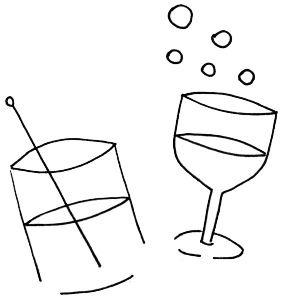

Chapter I: Alcohol at Events

Things to Know

Alcohol is regulated by the Washington State Liquor and Cannabis Board.

A. There are 3 kinds of licenses or permits related to alcohol at events.

Banquet Permit	Special Occasion License (SOL)	Permit to Raffle Alcohol
Private event Alcohol bought at retail No money changes hands for alcohol* Tickets may be exchangeable for drinks as part of a package price.	Public event (or private event if alcohol will be sold)* See page 9 for alcohol source options Alcohol can not be sold for less than cost Available for any registered nonprofit but donations can only be obtained if you are a 501(c)3 and 501(c)6 organizations.	Private event Needed in addition to Banquet Permit/ Special Occasion License if raffling alcohol. Alcohol must be bought at retail or donated by a community member.

* Private vs. public: You may want to charge for alcohol at your private event. Maybe you have a closed event with your donors and are selling tickets to raise funds. Even though it is private, it acts like a public event because money is changing hands. You need a Special Occasion License to sell alcohol.

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B. There are 7 categories of information related to alcohol at events:

- ❑ WHAT type of event it is (public/private)
- ❑ WHOSE license covers your public event
- ❑ WHERE alcohol comes from
- ❑ WHO serves the alcohol
- ❑ WHEN alcohol appears at your event
- ❑ HOW you account for and communicate about alcohol
- ❑ PUBLIC SAFETY rules

This information is contained in pages 3-16 of this guide.

C. There are some important definitions to understand as you consider how to bring alcohol into a fundraising event.

See page 24, Key Definitions, for clarification of words used in this guide.

NOTE

In this resource, we use the terms liquor and alcohol to mean the same thing.

"Alcohol" is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation or distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this substance. *–RCW 66.04.010*

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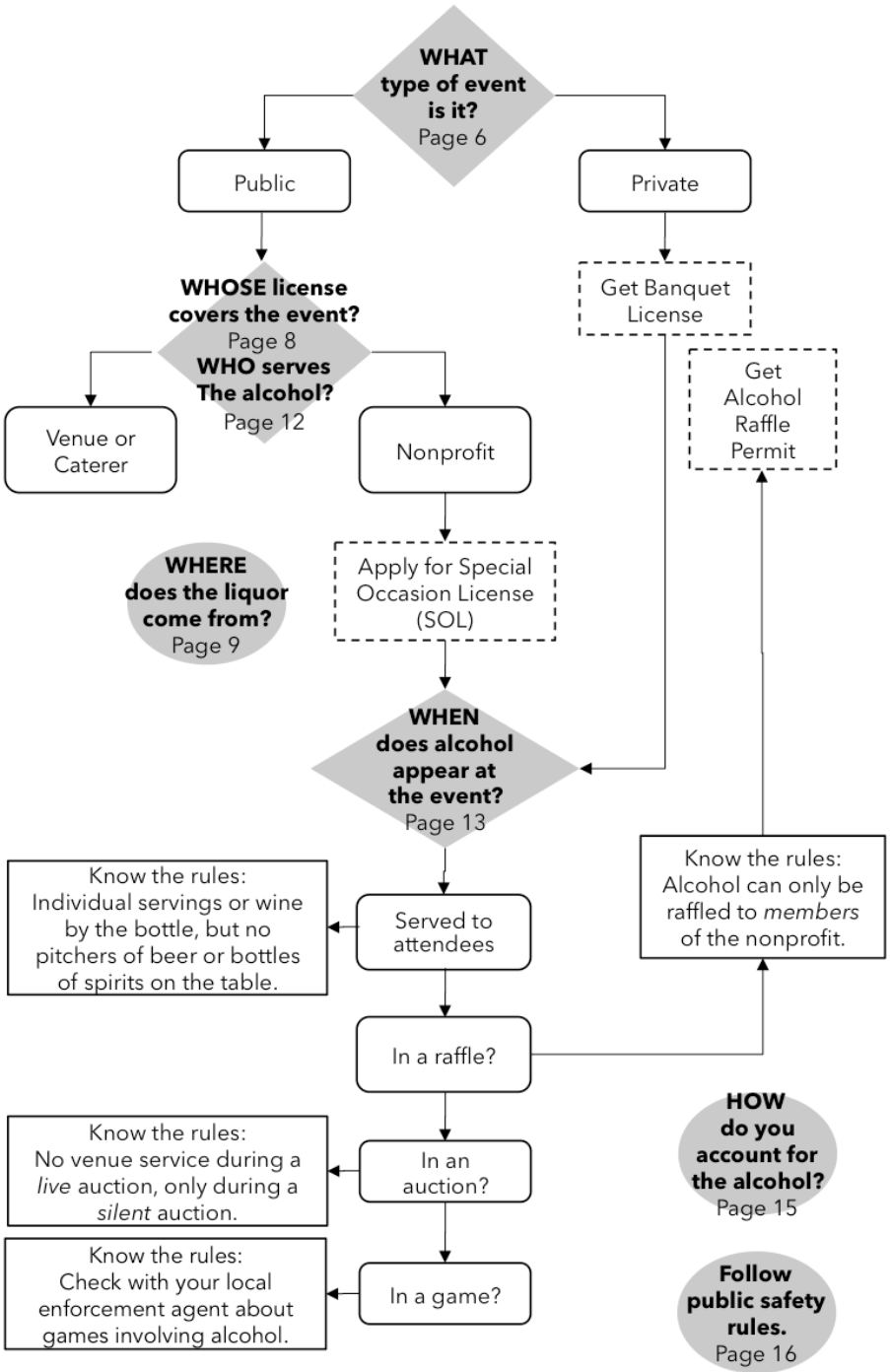
Alcohol at Events:
What permits or licenses do you need?



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1. WHAT type of event is it?

Different rules apply if the event is publicized and open to the public.

There is an important distinction between public and private events.

A. Public

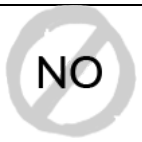
Most nonprofit events are public, from fundraising auctions to *biergartens* at a community street fair. Who supplies the alcohol determines who needs the license, but if it is public event and you want alcohol, a liquor license must be in use.

Most of the information in this resource relates to this type of event. Flip to the next page if you are having a public event.

B. Private

This is a by-invitation-only event that is not publicized. Think wedding or private donor reception. You, the nonprofit, are not selling alcohol but are providing it for free. You need a **Banquet Permit**. Alcohol given away free of charge under a banquet permit must be bought at full retail price. You may not get alcohol at wholesale or donated under the banquet permit. You may not auction wine/alcohol. There are other guidelines such as no money may exchange hands at the event when using a banquet permit. For more information, visit the WSLCB website page on banquet permits (see page 2).

Where you can get alcohol with a banquet permit:

They…	Manufacturer	Distributor	Retail	Member	Community member
Sell at retail					
Sell at wholesale					
Donate					

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➲ACTION STEPS FOR PRIVATE EVENTS

- ❑ Get a Banquet Permit if you will be giving away alcohol.
- ❑ Get a Special Occasion License if you will be selling alcohol directly or through ticket sales.
- ❑ Buy your alcohol at retail (no donations or wholesale!)
- ❑ Read page 19 of this guide if you are raffling alcohol.
- ❑ Have fun!

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2. WHOSE license covers your public event?

One license at one time. You can't stack licenses for liquor service.

You are having a public event. You plan to make it open to the public, advertising by email, social media, or printed invitation. It is up on your website.

The alcohol you are serving must be covered by a liquor license.

With public events, you have two options.

OPTION A. Use the license of your venue or caterer

This is an option if you are working with:

- ❑ Hotel or restaurant event venue staff
- ❑ Caterer with liquor license

This means that they deal with the alcohol, and they serve it. You have nothing to do with the served alcohol at your event. No auction of alcohol allowed under that license.

OPTION B. Apply for a Special Occasion License

This is an option if you are working with:

- ❑ Venue or hall with no liquor license
- ❑ Venue that has a liquor license that you are choosing not to use. (They therefore may not sell alcohol to the same guests.)
- ❑ Caterer without liquor license
- ❑ Manufacturers. A winery or distillery can pour, but may not sell, at any event with a Special Occasion License. The brewery can only pour if it is a tasting or judging event.

➲ ACTION STEPS ON LICENSING

- ❑ Decide whose license you will use for liquor service at your event.
- ❑ If you are following Option A, decide if alcohol will be a part of your auction, raffle or games. If no, you are done. You don't need to get any permit or license because you are covered through your licensed venue or caterer.
- ❑ If you are following Option A and ARE having alcohol a part of your auction, raffle or games, jump ahead to page 13. **You will need a Special Occasion License** for that part of your event. You may need a **Permit to Raffle Liquor** if your event is private (more information on page 14).
- ❑ If you are following Option B, get a **Special Occasion License**. Turn to the next page to learn more about where you can source the alcohol.

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3. WHERE does the alcohol come from?

Different sources of alcohol involve different rules.

Nonprofits procure alcohol from many different sources. It is tempting to get creative in order to save money. The law limits from whom you can get alcohol and at what price you can get it.

Let's review the possible sources (A) and then what you are allowed (B).

A. SOURCES of alcohol

Businesses

- ❑ *Manufacturer*: Brewery, winery, or distillery that makes the alcohol.
- ❑ *Distributor*: A company that sells alcohol at wholesale prices (*not retail*) to only those entities that hold a valid Washington State liquor license. You may only deal with a distributor if you have a Special Occasion License.
- ❑ *Retail*: A business that sells alcohol at retail prices. This includes but isn't limited to grocery stores, wine and beer specialty shops.

Individuals

- ❑ *Member*: A person approved for club membership only after having submitted a written application, being vetted, and being approved by ballot.
- ❑ *Community member*: Anyone in the community.

See the charts below to see how business and individuals can sell or donate alcohol in support of your event.

B. COST to buy alcohol

The rules on how to "sell" alcohol are determined by what license or permit you are using. Remember there are 3 options: Banquet Permit, Special Occasion License, and Permit to Raffle Liquor. The Banquet Permit was already explained on page 6. Let's now cover the other two.

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Alcohol to be consumed at a PUBLIC event covered by a Special Occasion License

They…	Manufacturer	Distributor	Retail	Member	Community member
Sell at retail	YES	NO	YES		
Sell at wholesale	YES	YES	NO		
Donate	Maybe If 501(c)3 or 6	Maybe Spirits only	NO	YES Account for true cost	NO

Alcohol to be RAFFLED at a private event

They…	Manufacturer	Distributor	Retail	Member	Community member
Sell at retail	NO	NO	YES		
Sell at wholesale	NO	NO	NO		
Donate	NO	NO	NO	YES	YES

Alcohol may NOT be raffled at a public event.

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➲ ACTION STEPS ON BUYING ALCOHOL

- ❑ Decide how you will get the alcohol.
- ❑ Get a receipt so you know the value of the alcohol.

NOTE

Why do we talk about "buying" and "selling" alcohol? On one hand, you may buy the alcohol and sell it to your event attendees just like would happen in a restaurant. No quotation marks would be needed in this case. On the other hand, a 501(c)(3) or (6) may get donated wine and give out glasses or bottles of wine at *what appears to be* no immediate cost to the attendee. Legally, you are *selling* the alcohol with payment coming in the form of ticket sales. Even if no money changes hands on the night of the event, the alcohol is being bought on the night of the event. In Washington State, alcohol must be paid for *at the time of consumption*. The rules of buying and selling alcohol still apply.

- ❑ The nonprofit is responsible for service… and over service.
- ❑ The nonprofit needs to know the cost of the alcohol as a part of the total ticket price.
- ❑ The nonprofit needs to communicate to the attendee how many services are included in the ticket price.
- ❑ The nonprofit may not advertise free or low cost alcohol.
- ❑ It is illegal for a nonprofit to sell a ticket to an event and say, "This ticket includes dinner, entertainment and two complimentary drinks." Even though the cost of the alcohol may be included in the ticket, you cannot refer to the fact you are giving alcohol away free of charge to the public.

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4. WHO serves the alcohol?

The entity that holds the liquor license is responsible for procuring and overseeing the serving.

There are two ways that you can license the serving of alcohol at your public event. Who can serve the alcohol varies by how you are licensed.

OPTION A: Use the license of your venue or caterer

Who serves? The venue or caterer deals with the alcohol, and they serve it. You have nothing to do with the served alcohol at your event.

OPTION B: Apply for a Special Occasion License

Who serves?

- ❑ Caterer staff
- ❑ Hired staff, from or not from the venue
- ❑ Your volunteers
- ❑ Winery staff
- ❑ Distillery staff
- ❑ Brewery only if it is deemed a beer tasting or judging event and it is apparent in the title of the event
- ❑ A winery, distillery, brewery or spirits distributor may conduct presentations that educate the public on the alcohol being offered for sale

Distributors may never pour at events

➲ ACTION STEPS ON WHO SERVES ALCOHOL

- ❑ Determine who will serve the alcohol at your event.
- ❑ Decide if you want them to attend an optional MAST training. Visit the WSLCB website for information on MAST (**https://lcb.wa.gov/mastrvp/mandatory_alcohol_server_training**).

NOTE

Caterers without a license can handle alcohol throughout your event. They can't be involved in alcohol before or after your event, like picking it up or dealing with what is left over.

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5. WHEN does alcohol appear at the event?

All alcohol-related activities must be licensed in some way, whether through the nonprofit's Special Occasion License or another license.

There are four main ways alcohol shows up at fundraising events: served to attendees, auctions, raffles, or games.

A. SERVICE for on-premise service

- ❑ Wine, beer and spirits by the individual serving
- ❑ Wine by the bottle

- No pitchers of beer or bottle of spirits can be placed on the tables or consumed on the premises.
- There can be no free or discounted alcohol. The cost of the alcohol should be included in the ticket price in a transparent way. That means that an open bottle placed on the table must be accounted for in the ticket price. We go into this more on page 15 when we talk about communicating the cost of alcohol.
- Be careful about over-consumption where there is no official server.
- Alcohol may not be consumed outside of the event.
- Art walks: Every venue must get its own license. Tickets must be sold by the nonprofit. The nonprofit must provide the wine at each location to be poured. Alcohol may not leave each location.

B. AUCTION

- ❑ Silent auction
- ❑ Live auction

- **Special Occasion License is required.** If you are in a licensed venue but holding an auction, you will need a SOL for the silent and live auction part of your program.
- When alcohol is "sold" at auction, it is considered sold in the eyes of the state. All laws related to selling alcohol apply.
- Alcohol must be in a manufacturer-sealed bottle
- Winning bidder must pay wholesale cost or above for auctioned alcohol
- Alcohol won at auction may not be consumed at the event
- **Live auction at a licensed premise**: All alcohol sold at the event for on and off premises is sold by the nonprofit under the Special Occasion License and no alcohol from the venue may be sold to your attendees during the live auction
- **Silent auction at a licensed premise**: The silent auction can be done either under the Special Occasion License with the nonprofit selling all alcohol for on and off premise consumption; or you can get a SOL and use it for a silent auction and have the venue sell by the glass.

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C. RAFFLES

- ❑ Raffle alcohol (see page 19 for non-alcohol raffles in private events)

- Alcohol may not be raffled at a public event.
- To raffle alcohol at a private event, You will need to get a license from both the Washington State Liquor and Cannabis Board **(Permit to Raffle Liquor)** and the Washington State Gambling Commission **(Raffle License)**. These are two separate applications. See page 2 for contact information and links.
- With a WSLCB Permit to Raffle Liquor, you may only raffle alcohol to nonprofit members, not the general public. The raffle *may not be advertised to the general public.*

D. GAMES

- ❑ Ring toss
- ❑ Wine wall (see page 22)
- ❑ And more…

- These activities are considered Gambling. Chapter 2 of this guide (page 18) describes gambling rules in more detail.
- The ticket to participate must cover *the most expensive item* at the manufacturer price**. If your most expensive bottle of wine in a ring toss costs $100, you must charge $100 for the chance ticket.**

When applying for a liquor license, you should note which of these ways you intend to use in your event. Every time alcohol appears at your event, it must be covered by a license or permit.

➲ ACTION STEPS ON WHEN ALCOHOL APPEARS

- ❑ Determine how alcohol will be a part of your event: individual servings or bottles for at event consumption, silent auction, live auction, raffle, and/or games.
- ❑ For each of these ways that alcohol will appear or be featured at your event, follow the rules outlined above.

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6. HOW to account for and communicate about alcohol?

You must use and communicate the true cost of alcohol.

You need to account for alcohol as a part of your event planning.

A. Accounting

Alcohol costs something, whether you paid for it or not. When it comes time to serve the alcohol, you must pass along to attendees its true cost to you or the manufacturer cost, *whichever is more*.

As you set up your procurement and in-kind donation systems, include an internal accounting function for alcohol. Budget for the alcohol when you set the ticket price.

Keep records for 3 years.

B. Communication.

You need to describe this accounting to event attendees.

- ❑ Specify the number of drinks allowed with ticket.
- ❑ Accurately describe the total cost of alcohol as a part of the total ticket cost.

➲ ACTION STEPS ON ACCOUNTING AND COMMUNICATING

- ❑ Document the cost of the alcohol you buy or receive as a donation. Keep this record for 3 years.
- ❑ Include the total cost of the alcohol within your event budget. Be able to tell an enforcement officer the total cost of the alcohol.
- ❑ Calculate the per attendee cost of the alcohol.
- ❑ Communicate to attendees the number of drinks they are allowed as a part of the ticket price.

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7. Public safety rules

The same public safety rules that apply to everyone apply within nonprofit fundraising events.

You as the license holder are responsible for the conduct of your patrons.

A. The same rules that we know from restaurants apply to nonprofit permit or license holders.

- ❑ Alcohol may not be sold, served, or supplied to anyone under 21 years of age.
- ❑ Intoxicated persons may not consume, possess, or purchase alcohol.
- ❑ Disorderly conduct is not allowed.
- ❑ No sales, service, or consumption between 2am and 6am.
- ❑ Insurance coverage may not apply if the nonprofit is charging for drinks. Consider a liquor endorsement for insurance.

B. If your organization regularly serves alcohol at events, you may want to receive training.

- ❑ Mandatory Alcohol Serve Training (MAST) Permits are not required, but are encouraged under Special Occasions and Banquet Permits. Visit the WSLCB website for information on MAST (**https://lcb.wa.gov/mastrvp/mandatory_alcohol_server_training**).
- ❑ Identification and over-service training classes are available by liquor enforcement officials every month for free. The link for that webpage is here: **https://lcb.wa.gov/enforcement/enforcement-class-schedule**. If you have a group of volunteers, enforcement officers will come to you!

➲ ACTION STEPS ON PUBLIC SAFETY RULES

- ❑ Review alcohol-related public safety rules.
- ❑ Look into MAST Permits if your organization regularly serves alcohol at events.

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Chapter II: Cannabis at events

Rule: Cannabis may not be used to raise money for nonprofits.

This is the shortest chapter is this toolkit. You may not use marijuana in any manner at events to raise funds for a nonprofit.

Remember that under federal law, cannabis is considered illegal. If you have 501(c)(3) tax-exempt charity status from the IRS, you need to be careful to protect that.

Typical questions

- May we auction gift cards from marijuana stores? No
- May we partner with marijuana dispensary, have them sell marijuana to our members, and we get a portion of the sales? No

If you receive any event proceeds from the sale of cannabis from a retailer by law, you need to be on the actual cannabis license with the WSLCB.

Advertising or thanking a cannabis company may be in conflict with the advertising rules set by WAC 314-55-155. Advertising any cannabis business while within 1000 feet of many different entities, including but not limited to schools, playgrounds, day care centers, transit centers, is illegal.

NOTE

Can you accept a donation from a cannabis grower outside of events? You may receive a financial donation from a retailer or producer (grower) of cannabis if there is no advertisement associated with that donation. It cannot be associated with any event where alcohol is present. Remember, cannabis is illegal at the federal level, so you should be careful if the donation is significant enough to be claimed on your IRS Form 990.

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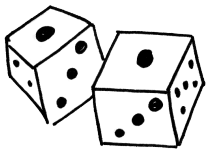

Chapter III: Gambling at Events

Things to know

Gambling is regulated by the Washington State Gambling Commission.

A. Gambling is defined as an activity that has 3 elements: consideration, chance, and a prize.

- *Consideration*: Payment of money or something valuable to engage
- *Chance*: Risk
- *Prize*: Money or something of value to win

Two of these elements alone do not constitute gambling. This is why an auction is not gambling; there is no element of chance. If you want the item, you eliminate chance by being the high payer.

B. Prior to July 2018, there have been 194 kinds of licenses related to gambling. This will be simplified to 6 license classes in July 2018.

UNTIL JULY 2018: You will need to estimate what you expect to take in and get the license appropriate for that amount. A complete list can be seen here: **http://app.leg.wa.gov/WAC/default.aspx?cite=230-05-020.**

AFTER JULY 2018: You will get a permit before your activity and pay the fee after your event based on actual income. Please note: these rules are not yet in place, we will update this toolkit when more information is available. Until July 2018, the old rules apply.

A license for gambling is <u>only required</u> when:

- ❑ a nonprofit holds **more than 2 gambling-related events** (amusement games, raffle, or bingo) per year, or
- ❑ a nonprofit will raise **more than $5,000** per calendar year through these activities.

Licenses are good for a year, except the fundraising license, which is good for one event.

C. Gambling most often shows up in nonprofit fundraisers in the form of raffles and games.

We cover these in the next pages.

D. Liquor laws come into play when alcohol is being raffled or used in games.

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Go back to Chapter I (page 3) to learn more about liquor rules.

1. Raffles

Raffles are highly regulated in Washington. Learn what is involved before you start one.

A raffle is a gambling activity where tickets are sold and prizes are awarded based on chance.

A. Raffles come in many shapes and sizes.

General raffle: People buy raffle tickets for an enticing prize. A ticket is randomly drawn during the course of the event. That person gets the prize.

50/50 raffle: A variation of the general raffle where the total raised through the raffle is announced. The winner wins 50% of the proceeds; the organization receives the other 50%.

Basket (bucket) raffle: There are several items available to win, and each one is displayed beside a basket or bucket. People buy tickets and place one or more of them in the basket beside the item they want to take a chance on. At the end, a ticket is pulled from each basket and a winner is named for that item.

Heads or tails: People buy a raffle ticket to participate. One some point, the auctioneer invites people to play. Participants select "heads" or "tails" by putting their hands on their heads or their tails. The auctioneer flips a coin and announces the result. Those who chose correctly stand, the rest sit down. Continue until only one person is left standing. That person gets the prize.

B. There is a difference between public and members-only raffles.

- ❑ Public raffles are open to the general public.
- ❑ Members-only raffles are only open to the members of a nonprofit. Guests cannot exceed 25% of the members present at the meeting. Tickets must be sold and winner determined during the same event.

C. You must obtain a raffle license when:

- ❑ You will offer more than 2 public raffles in a calendar year
- ❑ Gross revenues from your two public raffles will exceed $5,000 per calendar year or more than $5,000 from your members-only raffles
- ❑ You have a bingo or amusement game license and you want to offer public raffles
- ❑ Tickets are sold by someone other than a member of your organization
- ❑ You are offering a joint raffle with another organization
- ❑ You are giving noncash incentives for selling tickets
- ❑ Discounted tickets are sold

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- ❑ Winners are chosen by an alternative drawing format
- ❑ Firearms are awarded as prizes

License	Annual Gross Gambling Receipts	Fee
Class A	Up to $5,000	$61
Class B	Up to $10,000	$196
Class C	Up to $25,000	$403
Class D	Up to $50,000	$679
Class E	Up to $75,000	$1,088
Class F	Over $75,000	$1,632

A raffle license is good for one year.

C. There are other rules that apply.

Tickets

- ❑ Ticket price cannot exceed $100.

Print rules on ticket or a handout

- ❑ Tickets must be consecutively numbered
- ❑ Date time, and location of the drawing
- ❑ Name of the sponsoring organization
- ❑ Whether or not winners must be present to win
- ❑ Description of the prizes to be awarded
- ❑ Minimum prize

Selling tickets

- ❑ No free tickets or tickets as gifts.
- ❑ Tickets must be sold at the same price. No discounted tickets!
- ❑ Tickets must be paid for in full by cash, check or credit card. No IOU's.
- ❑ Tickets cannot be sold by Internet or email.
- ❑ Tickets and/or payments cannot be mailed.
- ❑ Youth (under 18) may only sell tickets if your organization's primary purpose is to develop youth and at least 3 adults are supervising.
- ❑ Individuals must be over 18 to purchase a ticket and to win.
- ❑ Alcohol can only be a prize in a members-only raffle.

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Determining winner

Ticket stubs must be placed into a receptacle and selected randomly unless using an alternative drawing format (that also requires a license).

Recordkeeping

- ❑ Unlicensed raffle: One year
- ❑ Licensed raffle: 3 years

Currently raffle licensees are required to report to the Gambling Commission, their annual activity. After July 1, all licensees will be reporting quarterly, even if they have no activity.

Notify your local police

- ❑ Unlicensed raffle: 5 days in advance of selecting winner
- ❑ Licensed raffle: Before selling tickets

➲ ACTION STEPS ON RAFFLES

- ❑ Decide what type of raffle you will be doing.
- ❑ Determine if you will do more than 2 raffles or raise more than $5,000 annually through raffles. If no, you do not need a Raffle Permit. If yes, apply for a Raffle Permit.
- ❑ Keep on eye on information from Washington Nonprofits about changes to raffle permitting in July 2018. This toolkit will be updated in the fall to reflect new information. (www.washingtonnonprofits.org).

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2. Games

Rule: Like raffles, games are heavily regulated.

Games, as it relates to gambling, are games played for entertainment. With "Amusement Games," the outcome involves the skill of the contestant, not the control of an operator, and the prize is merchandise. *(See RCW 9.46.0201)*

A. Games come in many forms. Some examples:

Cake walks: In a cake walk, a nonprofit sells tickets to participate. You get a bunch of cakes donated—or ask members of your community to bake them. Place numbers in a circle on the floor. Much like with musical chairs, children walk in a circle while music plays. When the music stops, they stand on a number. Someone pulls a number from a hat. Whichever child has that number gets to choose a cake.

Fish ponds: The nonprofit sells tickets to participate. Create a "fishing pole" using a dowel and string. Set up a "pond" with prizes. Award prizes (gift cards, candy, etc.) when people cast their line.

Social cards: This would involve activities like poker tournaments.

WHAT ABOUT A WINE WALL?

Also known as wine pull or ring toss, a Wine Wall often involves people paying a set amount to participate to select a bottle in one of many ways: tossing a ring around its neck, selecting it off a table, pulling a cork out of a basket, etc. CHECK WITH YOUR LOCAL ENFORCEMENT AGENT TO SEE IF WHAT YOU ARE PLANNING IS ALLOWED.

The only way a wine wall is permissible according to liquor AND gambling rules is if the wine is in unwrapped bottles, and the cost of the ticket is equal to or more than the cost of the most expensive bottle of wine.

2. There are several categories of licenses that cover gambling-related games.

Licenses good for one year

- ❑ Amusement games
- ❑ Bingo
- ❑ Card games
- ❑ Punch boards/pull-tabs

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License good for one event

- ❑ Fundraising event. These events typically offer house-banked card or dice games. They are also known as "Casino Nights". Poker tournaments can be offered with this license.

See here for fees associated with each kind:
http://app.leg.wa.gov/WAC/default.aspx?cite=230-05-020.

➲ ACTION STEPS ON GAMES

- ❑ Decide what type of games you will be doing.
- ❑ Determine whether these are "amusement games" as defined by law.
- ❑ Contact a WSGC agent for specific information about what you have in mind for your event.

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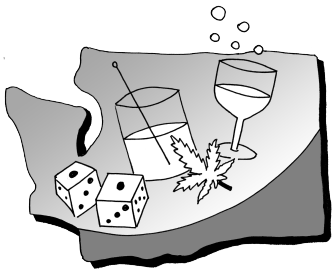

Chapter IV: Key definitions

The following words are used when talking about liquor and nonprofit fundraising events.

Alcohol: A substance which is commonly produced by the fermentation or distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this substance. Also called liquor.

Amusement games, as it relates to gambling: Games played for entertainment. The outcome involves the skill of the contestant, not the control of an operator, and the prize is merchandise.

Auction: A way to raise money in which people bid to buy something. It is not considered gambling because you do not pay for the ability to bid. If you do, it becomes a raffle and is considered gambling.

Banquet Permit: A license needed for a private, invitation only event. No advertisement. Alcohol must be provided to attendees at no cost. You must pay full retail price for alcohol.

Caterer: Someone who provides food, supplies, and sometimes service to a social event. May be licensed to serve alcohol, but not necessarily.

Civic event: A public event where a nonprofit is only managing the alcohol part of the event.

Gambling: An activity that involves 3 parts.

- Prize: you win something
- Consideration: you risk something (money, time, effort, personal information)
- Chance: you may not get anything after providing consideration

Game: An entertaining activity that often involves competition.

Licensed venue: An event space that has a liquor license that can be used by your event.

Liquor: Beer, wine or spirits. Also called alcohol.

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Manufacturer: An entity that makes liquor, namely a brewery, cidery, winery, or distillery.

Member: A type of person defined for your organization by your bylaws. Legally defined in Washington in liquor law as being someone who has submitted an application, been vetted and accepted, most often called a "card carrying member."

Permit to Raffle Liquor: A permit issued by the WSLCB that allows a nonprofit to raffle liquor to members only. This is different from a Raffle License (see below).

Private event: An event with a pre-determined guest list and no advertising to the public, including by social media.

Promoter: Someone whose job it is to promote a certain alcohol, usually employed by a distributor.

Public event: An event that is advertised in any way.

Raffle: A gambling activity where tickets are sold and prizes are awarded based on chance.

Raffle License: A license issued by the WSGC that allows a nonprofit to conduct raffles. This is different from a Permit to Raffle Liquor (see above).

Special occasion event: An event strictly for the benefit of a nonprofit organization registered with the Washington Office of the Secretary of State.

Special Occasion License: A license assigned to a nonprofit for a special occasion event involving alcohol.

Spirits: Hard liquor. It includes any beverage containing alcohol obtained by distillation, including wines with more than 24% alcohol by volume.

Washington State Gambling Commission (WSGC): An agency of the State of Washington devoted to gambling licensing, regulation, and enforcement.

Washington State Liquor and Cannabis Board (WSLCB): An agency of the State of Washington that administers and enforces liquor and cannabis laws.

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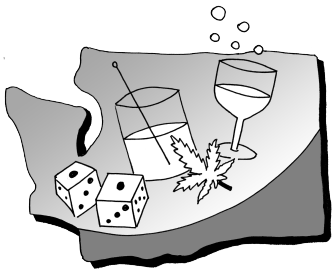

Chapter V: What this all means for your event

Scenarios

Your stories have helped us to craft some scenarios. See how these apply to your organization. Have a special circumstance? Call the appropriate agency to check it out. *Have a good scenario to add to this list? Email us at learning@washingtonnonprofits.org.*

1. You are invited to manage the bar at a music concert.

- Nonprofit must get a Special Occasion License and buy and sell the alcohol at the event
- Event is not the nonprofit's, only the alcohol portion.

2. You will be running a sit-down dinner at a hotel with a live auction featuring a *Tequila* party and a tray of champagne.

- Nonprofit must have Special Occasion License if the tequila party auction item contains alcohol.
- You may NOT auction a tray of drinks.
- Auction items of alcohol must be in manufacturer-sealed bottles.

3. You are planning a buffet dinner in a rented hall, featuring a raffle, ring toss, and bar. Food will be provided by a local caterer.

The answer depends on what kind of event this is: public or private?

Private event (invitation only, not publicized)

- Must get a Banquet Permit
- Must buy the alcohol at full retail price and must give alcohol away free of charge to attendees, or mark the BYOB box on the Banquet Permit and have people bring their own. May give ticket(s) for alcohol. No donation buckets for alcohol allowed.

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- Cannot do a ring toss and sell tickets
- Can get a raffle permit as long as this is an event for the nonprofit's members only.
- No auction of wine/beer/spirits.

Public event (everything else)

- Must get Special Occasion License
- Must buy and sell the alcohol (or delegate to a licensed caterer)
- Can only do a wine wall/toss where the wine is uncovered (not hidden in bags) and where the ticket cost is as much as or more than the most expensive bottle in the game.
- No raffle involving alcohol allowed. You cannot raffle alcohol to the public.
- 501(c)(3) and 501(c)(6) organizations may get alcohol donated.

4. You are organizing an "art walk" open house at 3 galleries along your town's Main Street.

- Get a Special Occasion License for each location
- Nonprofit with Special Occasion License supplies and sells the wine at each location, or in the ticket prior.

5. You are including a 50/50 raffle.

- Get a Raffle License if you are holding more than 2 events per calendar year or expect to raise more than $5,000.

6. Your raffle has lots of baskets, with people putting tickets into the baskets to try and win something.

This event is tricky because how you do it determines if it is one raffle or many. You must use sequentially numbered tickets for this to be considered one raffle. Someone buys 20 tickets, for example, off of one roll and decides how to allocate them. The next person buys more tickets off of the same roll, and so on. If you do NOT use sequentially numbered tickets, maybe each basket has its own colored ticket, than each basket is considered a separate raffle and must be licensed that way.

7. A local Scout Troop holds a "Cow Pie Bingo" raffle in which raffle tickets are sold by under-age scouts and the winner is chosen by where the cow 'plops' on a grid representing each of the tickets sold. Also, the scouts want to partner with a local service club to sell tickets and manage the raffle.

- This is definitely an 'alternate drawing format' requiring a license.
- Scouts under the age of 18 may sell tickets if supervised by members older than 18, and since the purpose of the organization is youth development.
- A license is required when conducting a joint raffle with another organization.

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FAQ

A. May I have a simple "friendraiser" at a board member's home? How about if I add in a raffle for a basket of wine donated by the board?

Absolutely. No banquet permit is needed for event at your home, and you are not selling alcohol. The alcohol should be bought at retail.

With a raffle permit from the WSLCB, you may raffle alcohol donated by a private citizen or bought at full retail price.

B. How do you determine the wholesale price of alcohol if the person who gives it to you doesn't know?

You must get an invoice from the manufacturer, period. IF you are getting it from a board member then they must fill out a procurement form and make their best guess.

C. May children attend an auction?

Minors may be present at an inside auction. Minors may NOT be in the serving area in an outdoor event (like a *biergarten*) If it is outdoors, you will need to submit an "all ages addendum request" for WSLCB to review and determine if you can have minors in that outside beer garden area. The addendum link is located on the application when you apply.

D. May children attend an alcohol related event like a wine tasting or beer fest?

This depends on the event and what else is happening at the event. If it is strictly alcohol related like a wine tasting, probably not. You can request that minors be allowed with the addendum, but if it is about alcohol, you will still be able to have your event but will be asked to enclose the alcohol tasting area and not allow minors in that area.

E. Why can there be no service by hotel staff during a live auction where alcohol is being auctioned?

A core rule in liquor licensing is one license at a time. If alcohol were being served during a live auction where alcohol was contained within the auction, two licenses come into play: the hotel's license to serve and a Special Occasion License to cover the nonprofit's auction. You can't stack two licenses at one time. Therefore, the hotel needs to stop service so that your SOL can be in play for the auction. If you are having a silent auction, you still need the SOL and the venue can continue serving alcohol while the auction is happening.

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F. Can we as the nonprofit bring in wine to be served at dinner that was donated but have the venue take care of the spirits and beer?

No. First of all you may not possess donated alcohol without a SOL in hand. Only 501(c)(3) and (6) organizations are allowed to get alcohol donated, and they must sell it to make money for their organization and may never give it away free of charge. You must either bring in all of the alcohol under a SOL or you do not bring any alcohol to be consumed at the event and let the venue or caterer handle on- premise alcohol sales.

G. Can the nonprofit partner with a promoter or promotions company to have an event and allow them to sell tickets that include alcohol?

No, this has come up quite a few times last summer and events were either shut down or major changes had to be made by the nonprofit prior to the events. Remember that as the holder of the license (SOL), you must sell the alcohol, not anyone else. Take, for example, a promotions company that sells tickets through Brown Paper tickets, and they include five tasting tickets. The promotions company plans on giving you $10 for every ticket towards the alcohol. This is not allowed because you must get the money directly from the ticket sales. Otherwise the promoters are selling alcohol without a license.

H. May I work with a promoter?

Yes, but you must abide by the following rules in order to do so:

- Promoters or a promotions company may not sell alcohol included in a ticket, only the nonprofit holding the special occasion license may
- Promoters may not acquire alcohol on your behalf or pay for alcohol on your behalf
- Promoters may not get any proceeds from the sale of alcohol under the special occasion license

I. May I conduct a wine, beer or spirit tasting event?

Yes, but you must:

- Have an approved special occasion license
- Purchase the alcohol from the manufacturers prior to the event
- Sell a specific amount of tastes/samples either in a ticket prior to the event or at the event

If deemed an alcohol tasting event, a winery, brewery and distillery may pour your product at the event for you and talk about their products to the public. The nonprofit, with permission on the special occasion license, may sell and auction bottles of spirits, beer, and wine for attendees to take home at the end of the event. This alcohol may not be opened and consumed at the event. The manufacturers may not bring alcohol to sell themselves at the event.

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