

Arkansas Nonprofit Raffle Reference Sheet



Definition of a Raffle

"Raffle" means the selling of tickets to win a prize awarded through a random drawing.

"Raffle" does not include any game played through the use of a machine or electronic device.

Licensing Requirements

Nonprofits must obtain a license through the Arkansas Department of Finance & Administration (DFA), Miscellaneous Tax Section.

Annual License	Covers both bingo & raffles, valid July 1 – June 30, renewable annually.	\$100
Class 1 Temporary	Valid for one raffle.	\$25
Class 2 Temporary	Valid for one raffle where all prizes are donated and total value is under \$5,000.	\$10

For licensing/forms, contact:

DFA – Miscellaneous Tax Section

P.O. Box 896, Room 2340, Joel Y. Ledbetter Building,
Little Rock, AR 72203

Phone: (501) 682-7187 | Fax: (501) 682-1103

Website: www.state.ar.us/dfa

Prize Limits

Annual: Total wholesale value of prizes cannot exceed \$50,000 per year. Donated prize value cannot exceed \$100,000 per year.

Individual: No single raffle prize can exceed \$5,000 in cash (coins, currency, or negotiable instruments).

Ticket Sales Rules

Tickets may be sold on the organization's premises or offsite by unpaid volunteers only. Tickets may NOT be sold by mail, internet, email, fax, phone, or any electronic/remote means.

Restrictions & Requirements

- Only volunteers may organize or run raffles; no paid staff. Volunteers may receive tips.
- Premises/equipment rental must not exceed fair market value and cannot be based on raffle proceeds.
- Raffles must be open to all (no discrimination based on race, religion, sex, disability, etc.).
- Participants must be 18 or older to purchase tickets.

Recordkeeping

Records must be kept for 2 years (raffles) and 6 years (bingo-related excise tax). Must include names, addresses, and phone numbers of volunteers.

Quick Checklist for Nonprofits Holding a Raffle in Arkansas

- Apply for the correct license (annual or temporary).
- Ensure all raffle organizers are unpaid volunteers.
- Keep prize values within legal limits.
- Sell tickets in person only—never online, by mail, or phone.
- Verify participants are 18+.
- Keep required records for at least 2 years.

Find more information about Arkansas's raffle regulations here, or explore alternative options for fundraising events below.

Alternatives to Raffle Fundraiser

- Door Prize Drawings (Free entry, but suggested donations)
- Silent or Live Auctions
- Contests/Competitions (audience votes through donations)
- Sales-based fundraisers
- 50/50 Guessing Games (ex: guess the number of jellybeans in the jar)