

GAMES OF CHANCE

Miami Student Handbook, Part V. Raffles SECTION 06E.501

While the University generally supports the fund-raising efforts of its registered student organizations, the legal complexities of definition, methodology, and distribution of monies associated with schemes or games of chance such as raffles, bingo, or other similar activities necessitate the University's prohibition of such activities in conjunction with its student organizations.

Under Ohio law

The easiest way to avoid violating the gambling laws in Ohio is for student organizations to organize the tournament in such a way that the poker does not qualify as gambling. Ohio law defines a “game of chance”, i.e., gambling, to be “poker...or other game in which a player *gives anything of value in hope of gain*, the outcome of which is determined largely by chance.” (Emphasis added.) By definition, therefore, if the participants do not pay money or give anything of value to participate in the tournament, the poker does not qualify as gambling. Thus, student organizations may conduct poker tournaments in the following ways:

1. The participants do not pay to participate (i.e. no entry fee). In this case prizes may be awarded; and
2. The participants pay to participate in the tournament but no prizes are given. However, all proceeds must either benefit a charity and/or the student organization; no business or individual person may receive any of the proceeds.

If the student organization does wish to organize a poker tournament involving both a fee to participate and prizes, thereby causing the poker to qualify as gambling, the organization must meet the specific criteria contained in the Ohio Revised Code.

First, the student organization must be a “charitable organization” as defined in Section 2915.01 of the Ohio Revised Code. While many student organizations may qualify as a charitable organization, it is very important to note that social fraternities and sororities do *not* qualify as a charitable organization under Ohio law.

Second, even if the student organization qualifies as a charitable organization, it must also have a determination letter from the IRS stating that the organization is a charitable organization and exempt from federal income taxation. I recommend your office obtain a copy of the determination letter for any student organization wishing to conduct a poker tournament with an entry fee and prizes (i.e. gambling). I expect that the great majority of student organizations will not have such a letter. As such, the organization will not meet the second criterion and will not be able to legally organize a poker tournament.

Third, in those rare situations where a student organization qualifies as a charitable organization and has the required determination letter from the IRS, the organization must still follow certain rules when organizing the poker tournament. These rules are as follows:

- The poker must be played on premises that have been owned by the student organization for at least one year, premises leased from a governmental unit (Miami University is a governmental unit), or premises leased from a veterans or fraternal organization.
- The poker tournament must be conducted at a festival of the student organization and may take place no more than twice a year if played for four consecutive days (or less) or once a year if played for five consecutive days.
- All proceeds from the tournament, after deduction *only* for prizes paid out, must either be used by the student organization and/or donated to a charitable organization or a governmental unit; no business or individual person may receive any of the proceeds.

Guidelines for Events on Campus

GAMES OF CHANCE

With the popularity of poker tournaments on the rise, our office has received requests to hold tournaments on campus as fundraisers. Please read below Miami's policy on "games of chance." All advisors have been sent letters informing them of the University's policy. If you need further clarification, please talk to your advisor or stop by our office.

Miami Student Handbook, Part V. Raffles SECTION 06E.501

While the University generally supports the fund-raising efforts of its registered student organizations, the legal complexities of definition, methodology, and distribution of monies associated with schemes or games of chance such as raffles, bingo, or other similar activities necessitate the University's prohibition of such activities in conjunction with its student organizations.

Under Ohio law

The easiest way to avoid violating the gambling laws in Ohio is for student organizations to organize the tournament in such a way that the poker does not qualify as gambling. Ohio law defines a "game of chance", i.e., gambling, to be "poker...or other game in which a player gives anything of value in hope of gain, the outcome of which is determined largely by chance." (Emphasis added.) By definition, therefore, if the participants do not pay money or give anything of value to participate in the tournament, the poker does not qualify as gambling. Thus, student organizations may conduct poker tournaments in the following ways:

1. The participants do not pay to participate (i.e. no entry fee). In this case prizes may be awarded; and
2. The participants pay to participate in the tournament but no prizes are given. However, all proceeds must either benefit a charity and/or the student organization; no business or individual person may receive any of the proceeds.

If the student organization does wish to organize a poker tournament involving both a fee to participate and prizes, thereby causing the poker to qualify as gambling, the organization must meet the specific criteria contained in the Ohio Revised Code.

First, the student organization must be a "charitable organization" as defined in Section 2915.01 of the Ohio Revised Code. While many student organizations may qualify as a charitable organization, it is very important to note that social fraternities and sororities do *not* qualify as a charitable organization under Ohio law.

Second, even if the student organization qualifies as a charitable organization, it must also have a determination letter from the IRS stating that the organization is a charitable organization and exempt from federal income taxation. I recommend your office obtain a copy of the determination letter for any student organization wishing to conduct a poker tournament with an entry fee and prizes (i.e. gambling). I expect that the great majority of student organizations will not have such a letter. As such, the organization will not meet the second criterion and will not be able to legally organize a poker tournament.

Third, in those rare situations where a student organization qualifies as a charitable organization and has the required determination letter from the IRS, the organization must still follow certain rules when organizing the poker tournament. These rules are as follows:

- The poker must be played on premises that have been owned by the student organization for at least one year, premises leased from a governmental unit (Miami University is a governmental unit), or premises leased from a veterans or fraternal organization.
- The poker tournament must be conducted at a festival of the student organization and may take place no more than twice a year if played for four consecutive days (or less) or once a year if played for five consecutive days.
- All proceeds from the tournament, after deduction *only* for prizes paid out, must either be used by the student organization and/or donated to a charitable organization or a governmental unit; no business or individual person may receive any of the proceeds.

We hope this helps clarify the guidelines we must follow in such fund raising activities. As always, for any activity on campus an **Event Planning Form** must be filled out to register the event through our office.