



Guidelines for Conducting Treasure Chest Raffles

Raffles are defined by Section 186.3-b of the General Municipal Law, as a game of chance *“in which a participant pays money in return for a ticket or other receipt and in which a prize is awarded on the basis of a winning number or numbers, color or colors, or symbol or symbols designated on the ticket or receipt, determined by chance as the result of a drawing from among those tickets or receipts previously sold or a random event, the results of which correspond with tickets or receipts previously sold.”*

Since Treasure Chest are events in which a participant pays money for a ticket that will be randomly drawn to determine the winner of a merchandise prize, such events meet the definition of a Raffle reflected above, and must be lawfully conducted. Organizations that conduct Treasure Chest raffles must first qualify as an authorized organization pursuant to Article 9-A of the General Municipal Law, and must be either licensed to conduct raffles or authorized to conduct raffles pursuant to Rule 4601.1(c). (Please refer to **Guidelines For Running Raffles** accessible at www.gaming.ny.gov, and identify the Category of raffle applicable to your organization before conducting a Penny Social.)

Treasure Chest Raffles are conducted as outlined below:

- a) Equipment. Two different-colored series of two-part, sequentially numbered raffle tickets; two raffle ticket drums or receptacles; a game board; a chest; a lock to secure the chest; and a number of keys predetermined by the licensee and listed in its house rules and on its raffle license application (if applicable). Only two of the keys shall be capable of opening the lock. One of those keys must be marked by the locksmith as a master key, and secured at all times by a member-in-charge; the other key, and all of the remaining (losing) keys, shall be unmarked and maintained in accordance with this section. The game board shall have a number of nails protruding from the board at an angle that permits the keys to be hung on one nail at a time. The number of nails shall be equal to the total number of keys in play at the start of the Treasure Chest Raffle.

- b) The Play

- 1) The licensee shall sell one series of two-part, sequentially numbered raffle tickets designated as Prize Winning Tickets, depositing one part of each ticket sold into the Prize Winning Raffle Ticket Drum or Receptacle and presenting the other part of that ticket to the purchaser to retain as a receipt for verification purposes.
- 2) The member-in-charge shall remove the licensee's designated percentage of the sales of raffle tickets sold during that occasion as raffle profit, and shall secure those funds for deposit into the special games of chance raffle checking account, if applicable, or other bank account.
- 3) The member-in-charge shall remove ten percent of the remaining funds, and shall divide that amount into five equal parts that shall be designated as the primary prize pool.
- 4) The member-in-charge shall insert the remaining prize money (the secondary prize) into the treasure chest and lock it.
- 5) After a single key is hung on each of the nails, one-half of a different colored series of two-part, serial-numbered tickets designated as Key Tickets shall be affixed to each of the nails, and the other halves of the those tickets shall be deposited into a raffle ticket receptacle designated the Key Ticket Receptacle.
- 6) All Prize Winning Ticket stubs shall be randomly commingled and thoroughly intermixed in the Prize Winning Ticket Raffle Ticket Drum or Receptacle; five tickets shall be drawn by a licensed member-in-charge from that drum or receptacle; and the five players holding the corresponding ticket stubs shall each be awarded one-fifth of the primary prize pool.

- 7) The member-in-charge shall draw a Key Ticket from the Key Ticket Receptacle for each of those five players, and each of the keys hanging on the game board under the raffle ticket stubs corresponding with each of the player's stubs is presented to the five winning players. Each player shall attempt to open the lock on the treasure chest using his or her key.
- 8) If none of the keys opens the lock, the raffle is closed for that occasion; the five Key Tickets are destroyed; and the member in charge removes the keys that did not open the locks from play.
- 9) At the conclusion of that occasion, the member-in-charge shall remove the cash from the treasure chest using a master key; the losing keys shall be locked in the treasure chest; the Key Ticket receptacle, the Key Tickets therein, and the game board with its remaining keys and Key Tickets shall be securely stored by the member-in-charge; and the remaining cash prize shall be deposited into the games of chance (raffle) checking account (if applicable), where it will remain until that amount is added to the treasure chest immediately prior to the start of the next occasion the Treasure Chest Raffle will be conducted.
- 10) During the next occasion, 60% of the proceeds from the sale of tickets for that occasion shall be added to the dollar amount reserved from the previous occasion, and the procedures outlined above shall be repeated for a new raffle.
- 11) The procedures described above shall be repeated during each subsequent occasion until the lock is opened and the winner is awarded the secondary prize.
- 12) If the secondary prize has not been awarded during an occasion on or about 170 days after the start of ticket sales for a Treasure Chest Raffle, an

announcement shall be made during that occasion that the remaining tickets will be drawn during the next bingo occasion until a winner of the secondary prize is awarded.

- 13) After the secondary prize is awarded, all of the Key Tickets on the game board and in the Key Ticket Receptacle shall be discarded; and all of the keys secured by the member-in-charge.

- 14) A sign shall be posted in all areas where the game Treasure Chest Raffle is conducted and at all locations where tickets to participate in a Treasure Chest Raffle are sold listing the percentage of the raffle ticket sales comprising the total price pool; that ten percent of that total prize pool will be divided evenly five ways and will be awarded to each of the five primary prize winners; that the remaining prize pool will be awarded as the Secondary Prize to the participant obtaining the key that unlocks the treasure chest; and listing the percentage of the raffle ticket sales that will be retained by the authorized organization as profit.

Example:

If the authorized organization's house rules for the Treasure Chest Raffle state that the total prize pool is comprised of 60% of sales derived from raffle ticket sales and \$450 in tickets are sold during an occasion, the organization retains \$180 as profit; reserves \$27 as the primary prize and divides it into five equal prizes of \$5.40; and locks the remaining \$243 in the treasure chest as the secondary prize.

Five tickets are drawn by a member-in-charge from the receptacle containing the Prize Winning Ticket stubs, and the five players holding the corresponding ticket stubs are each awarded \$5.40 (one-fifth of the primary prize pool).

The member-in-charge draws five Key Tickets from the Key Ticket receptacle; hands one ticket to each of the five players; presents each player with the key underneath the raffle ticket bearing the number corresponding with their respective Key Ticket; and each player, one at a time, is given the opportunity to open the lock on the treasure chest using his or her key.

If one of the keys opens the lock, the game is over and the winning player is awarded the secondary prize of \$243.

If none of the keys opens the lock, the raffle is closed for that occasion; the five Key Tickets are destroyed; the member in charge removes the keys that did not open the locks from play; and procedures 8 through 13, above, are followed.