

How to set up a 100 Club

What is a 100 Club?

A 100 club is a type of small-scale lottery and is a way of raising funds for a good cause from members of a club or group. It's easy to set up and maintain and doesn't need any special prizes or equipment.

Members of the club or group buy numbered tickets which go into a draw – 100 tickets for a 100 club (hence the name) but the number can vary to suit the size of club or group: 50 tickets for a 50 club or 200 tickets for a 200 club and so on. The tickets are randomly drawn and those holding the same numbered ticket win a prize. When a draw is made, a percentage of the profit is given as a prize and the remainder goes to a charity or good cause – normally the purpose of the club or group.

The Legalities

100 clubs are usually run under the rules for private society lotteries.

A lottery has three essential ingredients:

- Payment is required to enter the game
- There is always at least one prize
- Prizes are awarded purely on chance.



Funds must be raised for a good cause and cannot be run for private or commercial gain. Rules set out in the Gambling Act 2005 must be followed but it is not necessary to obtain a licence from the Gambling Commission to run a private society lottery.

Private society lottery rules

Who can run a private society lottery? Any club or group, provided it is not established and conducted for purposes connected to gambling. A luncheon club, sports club or parent group, for example, could run a lottery for members to raise money for their organisation.

Who can take part? Only members of the club/group, or people on the premises used for the administration of the club/group or the conduct of its affairs. Tickets cannot be sold outside the premises to the general public, family or friends. Check your constitution to verify membership. There is no limit on ticket sales as the restriction on who can buy tickets has the effect of keeping numbers relatively low.

How can it be promoted? Private society lotteries can only be promoted by an authorised member of a private society. Private lotteries must comply with advertising conditions which state that 'no advertisement may be displayed or distributed except at the society premises, nor may it be sent to any other premises.'

What are the conditions relating to tickets? Tickets can only be sold by, or on behalf of, the club/group. A ticket must be provided but there are no specific requirements for the tickets themselves. Each ticket must be sold at the same price and the rights created by the ticket are non-transferable. Tickets must be paid for before anyone receives a ticket. Rollover of prizes is not permitted but it is permitted to claim costs for prizes and reasonable lottery running costs.

Suggested timescale for the set-up

Eight weeks before: establish how many people would like to take part. Use all your media channels (Facebook, website, newsletters etc) and word of mouth to generate excitement about the idea. Emphasise that it is an easy way to:

- support the club or group's cause; and
- have a chance of winning a cash prize every time it's held (typically monthly).

Once the level of interest has been determined, you will know what size of club will be needed. Decide whether to use the club/group's bank account or to open a new bank account – it can be easier to check who has paid with the latter. Set up a waiting list for members and those eligible to play who want to take up numbers when they become available.

Six weeks before: agree on the minimum time commitment for participants (usually one year). Choose a payment method – monthly standing orders are easiest to administer. Decide how much to charge, the number of winners per month and how much to give as prizes. Draw up a set of rules to explain everything clearly.

Four weeks before: circulate letters within the club/group asking people to join the 100 club (or whatever size is agreed upon). Note that if run as a Private Society Lottery, the Gambling Commission says that sending a letter home to parents constitutes promoting or advertising a lottery and would therefore not be permitted. Include:

- A sign-up form
- Standing order instructions
- A set of rules with a slip to be signed and returned.

Once forms are returned, create a numbered spreadsheet of participants, including their name, address and payment method. Ensure this is GDPR compliant (i.e. that people have given permission for you to collect and hold this data, and you have informed them how it will be used).

Take down any external messaging that was ascertaining interest of the 100 club from website and social media unless they are closed groups for members only.

One week before: check payments have been received via bank statements. Chase up any outstanding payments with participants.

On the day: using a random number generator, draw winning numbers in public, either physically or via live Facebook or another social media platform such as Zoom. Publish winners' names (if permission is obtained) in your media.

After the draw: promptly pay winners in the manner agreed in your rules. If paying by cash, it's

advisable to have someone to witness the exchange, or ask the winner to sign a receipt of payment at the time cash is handed over.

Take advantage of captive audiences at your club/group to recruit new members.

There is no specific legal definition in the Gambling Act for a 50, 100 or 200 club, so clear rules are needed to avoid any disputes.

Other guidelines

- If there is a natural end to the life-cycle of your club, such as a sports club for 8-11 year olds, ensure there is a strategy in place for when members leave to keep numbers topped up, e.g. extra recruitment drives for new members about to join.
- Many clubs charge £1-£2 per number per month, which equates to £12-£24 per year. Around 50-60% of this will be donated to the good cause and the rest is paid out in prize money with a first, second and third prize. If the club runs to a school year and doesn't meet over August, it can be advisable not to have a draw in August, and maybe even July. The extra money can be used to increase prizes at Christmas and perhaps a summer draw. The rules should state whether subscribers can buy more than one ticket, but it may be advisable to put a limit on it to allow more people a chance to play.
- The rules should ensure participants are aware of the purpose of the lottery, how it is run and by whom, when each draw takes place and how winners' details are published. Also detail what happens in the event of a dispute, of if a participant misses a payment or a winner cannot be contacted, and so on.
- If run as a [Small Society Lottery](#), registration will be needed with the local licensing authority, who may wish to see a set of rules before considering an application, but a licence from the Gambling Commission is not needed. A financial return must be submitted within three months of the latest draw. With a small society lottery, you can sell tickets to anyone aged 16 and over, not just those within the club/group.



Additional Support

Community First Yorkshire can help you with many aspects to running your community group or voluntary organisation, from governance to funding, trustees to volunteering. We can support you on a one to one or group training basis. Simply fill in an [enquiry form](#) and we'll get back to you.

You can sign up for our news bulletins [here](#):

- Our monthly Funding Bulletin lists updated funding opportunities.
- Our weekly newsletter has information about the charity sector, including training.

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