

Grand Valley State University Institutional Review Board (IRB)	
<i>G-4: Raffles/Drawings as Research Incentives</i>	
Issued: April 5, 2022	Office of Research Compliance and Integrity

A raffle/drawing occurs when researchers provides participants an opportunity to be entered into a drawing where a prize will be awarded in return for participants providing something of value, such as completed research surveys. When raffles are used, only some of the research participants will receive the prize; this is in contrast to studies where the researchers provide compensation to all study participants.

If the research is funded by the National Science Foundation or the Small Business Administration, none of the funds can be used for participant raffles or drawings. Other federal sponsors may have similar prohibitions, and the researcher should seek guidance from their Program Officer to determine if the funds can be used in this way.

State regulations also apply to raffles. Researchers need to carefully consider the additional information below when utilizing raffles as a research incentive.

What rules apply to raffles?

1. Because raffles are a form of gambling, they are regulated in the State of Michigan by the Charitable Gaming Division. Only participants aged 18 years and older can be included in raffles.
2. The total cash value of the prizes awarded collectively to all study participants cannot exceed \$100 a day.
3. In order to meet the state’s “single gathering” criterion, there can be no second chance drawings. This means individuals cannot be entered into a pool for a prize more than one time.
4. If the researcher will exceed the above limits, the researcher needs to apply for a raffle license from the Charitable Gaming Division.
5. The research informed consent document must describe the drawing process and what information will be collected if the participant wins. For example, the winner’s social security number or federal tax number will need to be collected if the winner receives a prize valued at \$50 or more.

Which GVSU policies apply to raffles?

1. The value of the item(s) to be raffled should not be so great as to be unduly influential (**IRB Policy 750**, “Recruitment, Selection and Payments to Research Participants”).
2. If the prize value is \$50 or more, the winner must provide their name, home address, and social security number so they can be issued a Form 1099 for tax purposes (GVSU Business and Finance Department Procedures Manual, **section number 305**).

3. If the research sample is limited to GVSU students and if the prize to be awarded is a gift card (including electronic gift cards), the value of the gift card should not exceed \$25. Gift cards in excess of \$25 will require reporting to the GVSU Office of Financial Aid in order to comply with federal financial aid regulations (**SLT Policy 6.30**, “Gift cards, gifts and prizes policy”).
4. If the prize to be awarded is a gift card that has been purchased with GVSU funds, the researcher must utilize a designated gift card custodian. The custodian must be a GVSU employee who is not a member of the research team. The custodian is responsible for holding and tracking the gift cards after they are purchased but prior to disbursement. This is required for electronic and physical gift cards. (GVSU Business and Finance Department Procedures Manual, **section number 305**)

Examples of compliant raffles

- A researcher will raffle ten insulated travel mugs valued at \$20 each for the 100 adults who participated in the research focus groups. He creates ten distinct pools of participants (e.g., Participants 1-10 are in group 1, Participants 11-20 are in group 2, etc.) to ensure no person has more than one chance to win. On the first day, five drawings are held, one drawing for each of the first five groups, to ensure the limit of awarding \$100 per day is not exceeded. The following day, the same process is followed for the last five groups. No tax information is collected because the value of the gift is less than \$50.
- A researcher has three \$100 gift cards to raffle. The first raffle is held after the survey has been open for one week. All participants who completed the survey in the first week will be entered in the first raffle. A second raffle is held after the second week for all participants who completed the survey during week two, and a final raffle is held at the close of the survey for those who completed it in the last week. The tax information of the three winners is collected and provided to the Accounting Office for issuance of IRS Form 1099.

For additional information about setting up raffles and drawings to encourage research participation, contact the Office of Research Compliance and Integrity: rci@gvsu.edu or (616) 331-3197.

External References

- Michigan Lottery Charitable Gaming Division **Raffle Guide**, rev. 8/28/2019
- **Charitable Gaming - Raffle** (michigan.gov)
- Michigan Compiled Laws (MCL) **Act 382, section 432.105d**
- **MCL Act 328, section 750.372-376**