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# Sweepstakes Laws Compliance: Is Hiring a Sweepstakes Administrator Essential for ROI?

Sweepstakes & Contest  
Marketing Resources

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## Sweepstakes Laws Compliance: Is Hiring a Sweepstakes Administrator Essential for ROI?

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Running a sweepstakes for your brand? Sweepstakes laws compliance is required so hire a [sweepstakes administration](#) company to help you.

As a marketing company specializing in sweepstakes, contests, and giveaways, we understand how important [sweepstakes compliance](#) is for major brands.

? Don't want the risks of sweepstakes law compliance mistakes??

No problem! Don't do sweepstakes [legal compliance](#) in-house.

A sweepstakes lawyer specializing in social media contests and other online giveaways can provide legal advice for your sweepstakes.

Read on to learn about:

(1) what is involved in sweepstakes laws compliance, (2) what is an [illegal lottery](#), (3) what a sweepstakes administrator can do, and (4) finally, the next steps to get started!

IN THIS ARTICLE:

- Are social media contests legal?
- What should you consider when hiring a sweepstakes administrator?

- What sweepstakes laws apply to social media giveaways?



Photo by Matthis on [Pexels.com](https://www.pexels.com/)

## U.S. Sweepstakes Laws: Compliance is Key for Proper Sweepstakes Administration

Sweepstakes laws vary across all 50 states with registration and bonding requirements for promotions valued at \$5,000 or higher for promotions in New York, Florida, and Rhode Island.

Other states have additional requirements for brands in certain regulated industries.

Other local jurisdictions may disallow or disapprove sweepstakes promotions for additional reasons. This is why every sweepstakes should be considered as a unique giveaway.

Let's get started:

If you're wondering when exactly it's the right time to hire a sweepstakes administrator to help with sweepstakes, from the start, design, and planning phases is recommended.

Sweepstakes attorneys, sweepstakes lawyers, and sweepstakes administrators are the professionals that can help you with U.S. federal and state sweepstakes laws compliance.

Now that you understand that U.S. sweepstakes laws mean that sweepstakes must be reviewed before they go live by a sweepstakes lawyer, here's what you need to know to hire the right company.

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Find the right sweepstakes company here.

## Sweepstakes Laws and the ROI of Your Sweepstakes: Compliance Matters

What are the risks of not paying attention to sweepstakes law compliance for your sweepstakes or online giveaway? The risks are numerous and can lead to:

- Lawsuits / legal action
- Shutdown of your promotion by regulators
- Fines / penalties

This is in addition to the fact that your reputation will be damaged as your fans and followers will no longer trust your brand to conduct a legitimate promotion.

To achieve ROI, sweepstakes must be fully compliant with all applicable sweepstakes laws!

Keep this in mind as you research sweepstakes lawyers and sweepstakes companies to help you with running your sweepstakes!



## What Is an Illegal Sweepstakes? Avoid Risk by a Hiring Sweepstakes Company

A sweepstakes is different than a lottery. With the exception of lotteries run by the state, lotteries are illegal under both U.S. state and federal laws.

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An illegal sweepstakes, namely a lottery, is a promotion that has all of the three elements present: 1) A prize, 2) chance; and 3) consideration (in the form of effort or payment typically).

### Sweepstakes Companies Help With Sweepstakes Law Review

A sweepstakes company will be able to help determine if your giveaway promotion is actually a legal sweepstakes rather than an [illegal lottery](#).

Working with a sweepstakes administration company from the start to design your campaign helps you

avoid creating giveaway promotions that fall in the grey area in the first place!

Sweepstakes compliance, although complex and time-consuming, is routine enough that you should simply leave it to the hands of the experts.

Better to focus your efforts on working with a sweepstakes company to create amazing promotions and unique sweepstakes marketing.



## What Is a Sweepstakes? What Sweepstakes Administration Companies Do

A sweepstakes is a promotion that may be run online, offline or both in which the prize is awarded based on random drawing rather than skill.

Giveaway promotions in which the winner of the prize is selected by judges, based on skill this promotion is a contest.

Your sweepstakes administration company will assist you with handling the legal compliance concerns related to your sweepstakes.

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Unlike running a sweepstakes in-house, working with a sweepstakes law firm or sweepstakes administration company for assistance with sweepstakes law compliance.

Sweepstakes administrators and sweepstakes lawyers provide you with sweepstakes compliance advice.

A sweepstakes legal professional has the knowledge of sweepstakes law, gaming law, marketing law in



order to ensure that you have met the requirements in all areas.



Photo by Kristina Paukshtite on [Pexels.com](https://www.pexels.com/photo/arrow-shaped-cookie-enter-word/)

Sweepstakes administrators need to know the unique nature of your promotion in order to help.

Here are some of the basics of what sweepstakes administration companies do:

- Draft [official rules](#)
- Design your promotion
- Set up analytics / lead collection
- Random winner drawing
- Legal compliance
- IRS Tax forms for winners (1099-MISC)

There are more complex requirements aside from drafting [official rules](#) for your promotion and making sure to follow social media TOS.

## Sweepstakes Laws: Sweepstakes Lawyers Can Help With Registration and Bonding

Your sweepstakes may require registration and bonding based on the state.

Need sweepstakes administration quotes? Register for your Free Sweepsify Premium account [here](#).



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## Next Steps: Assess Your Sweepstakes Laws Compliance Needs Then Get Quotes

The next step is to start getting quotes for sweepstakes administration or sweepstakes legal compliance help.

Let Sweepstify help find the right sweepstakes marketing professionals, sweepstakes legal experts, tools, and companies that you need to make your sweepstakes or contest amazing!

Looking for a sweepstakes administration company to help you with your next promotion? Sweepstify helps you find top sweepstakes companies in seconds. [Create your free Premium account now](#) to get started.

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