SWEEPSTAKES CHECKLIST

Purchase Sweepstakes Compliance Checklist

How to award sweepstakes entries with purchases without running an illegal lottery: the product test, free entry, entry math, purchase-specific rules language and state checks.

> **Not legal advice.** Purchase-linked promotions carry more risk than free-entry giveaways. Use this checklist to plan, and have counsel review the structure and final rules before launch.

1. Why a purchase sweepstakes is not a lottery

A promotion that combines a prize, chance and a required payment is generally an illegal lottery. Purchase-linked sweepstakes avoid this by offering a free alternative method of entry (AMOE), so no purchase is necessary to enter or win.

- [ ] Every ad, product page and checkout message that mentions entries also says "No purchase necessary."
- [ ] The rules say a purchase will not increase the chances of winning.
- [ ] Paid and free entries go into one drawing for the same prizes.

2. Sell a real product, not chances

Customers must buy a real product or service at its normal value, with entries as a free bonus. Courts have held that schemes selling a pretext product to deliver sweepstakes plays were illegal gambling, even with a free entry option. Keep prices at their normal level: a markup tied to the sweepstakes can suggest customers are paying for the entry.

Generally acceptable

- Entries as a bonus with orders of your normal products at normal prices.
- Extra entries for orders over a threshold or for featured products.
- Bonus entries for a coupon code, with a free way to get them too.

Avoid

- Selling entries, tickets or "entry packs" ("$20 for 50 entries").
- A token product that exists only to carry entries.
- Raising prices during the promotion.
- Awarding entries for alcohol purchases. California prohibits it and many states restrict alcohol promotions.

3. Free entry that is actually equal

Free entries must go into the same drawing, for the same prizes, at the same odds per entry. Keep the free method simple: an online free entry form, a mail-in entry, or both are the common options.

- [ ] "No purchase necessary" and the free method are disclosed clearly wherever purchase entry is promoted, and in full in the rules.
- [ ] If purchase entry happens in-store, free entry is available in-store too.
- [ ] If purchases earn multiple entries, free entrants can get a comparable number (a generous allotment per request or repeat requests) and are never capped below buyers. Have counsel review this structure.
- [ ] Free entrants get the same entry period, prizes and drawing as buyers.
- [ ] Per-person entry limits apply consistently to paid and free entries.
- [ ] Someone is assigned to process mail-in entries before the drawing.

4. Entry math that matches the rules

- [ ] The rules state the entry rate (for example, 5 entries per $1 spent) and how amounts are rounded.
- [ ] Every bonus (product, order threshold, coupon) is listed with its entries and dates.
- [ ] Taxes, shipping, gift cards and excluded products are addressed.
- [ ] The rules say whether entries from refunded, cancelled or returned orders are voided, and that rule is applied consistently.
- [ ] Test orders confirm the storefront messaging and recorded entries match the rules.

5. Purchase-specific rules language

Add these to your official rules alongside the standard clauses. Replace every [bracketed] field.

A No purchase necessary

NO PURCHASE NECESSARY TO ENTER OR WIN. A PURCHASE WILL NOT INCREASE YOUR CHANCES OF WINNING. Void where prohibited.

B Purchase entries

During the Promotion Period, each eligible order placed at [store URL] earns [number] entries per $1.00 of [merchandise subtotal, excluding taxes, shipping and gift cards], rounded down to the nearest whole dollar. [Bonus entries: [number] entries for each [product/order threshold/code], from [date] to [date].] Purchases of [excluded products] do not earn entries.

C Free entry

To enter without a purchase, complete the free entry form at [URL] [or hand-print your name, address, email address and phone number on a 3" x 5" card and mail it to [address], postmarked by [date] and received by [date]]. Each free entry request earns [number] entries. Limit [number] free entry requests per person per [day/Promotion Period]. Free and purchase entries are entered in the same drawing and have the same chance of winning.

D Refunds and limits

Entries earned from orders that are cancelled, refunded or returned before the drawing will be removed. Each person may earn no more than [number] total entries. Sponsor may disqualify entries generated by fraud, automated means or orders placed to manipulate entry totals.

6. State and category checks

Filings depend on total prize value, not whether entry is purchase-linked. State details reviewed between September 11, 2026 and October 2, 2026.

STATE	COVERED PRIZE VALUE	TIMING	FEE	SECURITY
Florida	More than $5,000	At least 7 days before launch	$100	Full-value trust or bond; qualifying waiver may apply
New York	More than $5,000	At least 30 days before launch	$100	Trust/CD or surety bond under state instructions
Rhode Island	More than $500, in-state retail promotions only	Before launch; no fixed advance deadline	$150	None required

- [ ] Florida bars requiring "an entry fee, payment, or proof of purchase" to enter a game promotion, so free entry must be fully available.
- [ ] Entries tied to donations, or claims that purchases benefit a charity, can trigger charitable-solicitation and commercial co-venturer registration; consult counsel.

> **Need full legal administration?** We can help with full legal administration, including rules drafting and review, state filings, bonding and winner compliance. For more information, contact us at revup.com/contact or hello@revup.com.

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