



Argyll and Bute Third Sector Interface Auctions

Auctions can be a great way to fundraise, either as a standalone event, or as part of a bigger event (such as an annual ball). Putting on an auction can complement other donations and support, allowing people an alternative way to support a cause. They can be a very low-cost and low-risk activity, especially if the auction lots have been donated to the charity to be used. However, as an auction is a way of trading (buying goods or services) there are important things for charities to know to make sure they are following all the rules that are in place.

Consumer legislation, such as those for unfair commercial practices and contracts, as well as Trade Descriptions, will apply to auctions so it's worth charities familiarising themselves with the relevant law. Visit [Gov.uk CMA Consumer Enforcement guidance](#)

If you are organising an online auction, you will also need to be aware of the Distance Selling Regulations.

You do not need to be licensed as an auctioneer in the UK but you may find it helpful to contact an auctioneer who is a member of a professional organisation such as the NAVA Propertymark or the Society of Fine Art Auctioneers and Valuers (SOFAA).

Planning and preparation

Establishing terms and conditions in advance is important to help avoid problems later. Think about how the auction will run, how many lots you have, whether you will hire a third party to run the auction for you, and where the lots will come from (are they going to be donated?).

It's important that potential bidders on the lots have clear and accurate information on the items so they know what is on offer and can make an informed decision. You can give people an opportunity to inspect the lots prior to the auction starting and have information available in a printed brochure or on tablets.

Bidders also should know that placing a bid is a formal offer, and once accepted, it is a contract to purchase the item. Charities should keep careful records of the amount of the successful bid, and ensure they get the relevant details from the individual so as to arrange payment and delivery of the goods.

Contingency plans are also recommended – for example, what would you do if the successful bidder says they no longer want to purchase the item? Or that an auction item subsequently becomes unavailable? You will also need to think about potential reserve prices for your items and provide these to the auctioneer in writing before the event.

As an auction is not a normal donation, Gift Aid is not normally able to be claimed, but there are some cases where you can Gift Aid money.

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