FREE PRINTABLE CHECKLIST

Before you sign with a charity auction lot supplier

The Charity Auctioneer

For committees, trustees and event leads about to use a company that supplies auction lots on consignment, reserve or minimum-return terms. Tick each line before you sign.

How supplied lots work: the supplier's price and mark-up sit inside the reserve. The charity receives only what is bid above the reserve. Guests and committees often assume the whole bid goes to the cause.

1 Five questions to ask any lot supplier

- [ ] **Is this lot consignment, reserve or minimum-return?**
- [ ] **What does the charity receive if it sells at reserve?**
- [ ] **Who sets the reserve?**
- [ ] **What happens to unsold lots?**
- [ ] **Will you put the split in writing?**

2 Get it in writing

- [ ] The terms for each lot: consignment, reserve or minimum-return
- [ ] The reserve for each lot, and who set it
- [ ] What the charity receives at reserve, and on every pound above it
- [ ] What happens to lots that do not sell
- [ ] Whose name the auction runs under, and what guests will be told about the split
- [ ] Whether the bidding software adds card processing charges on top of each winning bid (some add 0.5% to 1.5%)

3 Compare a supplied lot with a donated lot

An overnight stay for two that cost the supplier about £200, entered with a reserve of £800 (a 300% mark-up):

Winning bid	Supplied lot: charity gets	Donated lot: charity gets
£800	£0	£800
£1,000	£200	£1,000
£1,200	£400	£1,200

Bids are illustrations. Mark-ups around 50% are common; 300% has been seen.

4 Tell guests on the night

"Lots marked with a star were donated, so every pound you bid goes to [charity]. The others are supplied lots: [charity] receives everything bid above the reserve."

Say it once, warmly, before the first lot. Mark the lots the same way in the brochure.

5 Keep the lot list short

- [ ] Aim for around ten strong donated lots, not a long brochure (Kevin has seen one with 120 lots: too many lots split the room's money and attention)
- [ ] Add a live pledge: every pound goes to the charity

6 Gift Aid on the pledge

- [ ] Gift Aid can't usually be claimed on auction bids, because the bidder gets something back (HMRC Gift Aid guidance)
- [ ] A pledge with no reward can carry Gift Aid: a £500 pledge from a UK taxpayer is worth £625
- [ ] Gift Aid declarations ready at every table for the pledge

7 The accounts question

- [ ] Plan to show the gross and the costs, not just the net
- [ ] Ask your auditors: did the charity act as principal or agent for supplied lots?

8 Whose name is on the auction?

If a supplier runs the auction under the charity's name, guests may think every pound is a gift. In England and Wales, section 60 of the Charities Act 1992 requires professional fundraisers and commercial participators to tell people how the money is split.

- [ ] Agree in advance what guests will be told about the split

Why it matters: at one gala an outside auction company grossed about £13,000 and the charity received about £1,300. The next year the room was told where each pound would go. The supplied lots grossed about £3,500 (about £400 to the charity) and a live pledge raised £8,300, all for the charity.

Kevin Durham, charity auctioneer · 07596 851647

Full guide: thecharityauctioneer.uk/charity-auction-lot-supplier-checklist

General information as at November 2026, not legal, tax or accounting advice. The supplier model is legal and has its place; this list helps you understand it.