

The guiding principle | Electoral Commission donations and loans in Great Britain You are in the Auction prizes section Home donations and loans in Great Britain Auction prizes View the navigation tree Go to main guidance section: donations and loans in Great Britain Terms we use in this guidance Which donations are covered by the rules? What do you need to do when you receive a donation? How do you work out the value of a donation? Crowdfunding Auction prizes The guiding principle Valuing prizes: how to make an honest assessment Valuing prizes: examples Reporting auction prize donations Sponsorship What must you record when you accept a donation? What do you do if you receive a donation from an impermissible or unidentifiable source? Which loans are covered by the rules? What do you need to do before you enter into a loan? How do you work out the value of a loan? What must you record when you enter into a loan? What do you do if you have a loan from an impermissible source? Who can you accept donations and loans from? Which donations and loans do you need to report? How to report donations and loans The guiding principle This will help you to decide whether you need to treat an auction prize as a donation. The guiding principle is that, in all cases, you should make an honest assessment, based on the facts, of the value of the item or service that is being auctioned or raffled. This will be straightforward for most items. However, for some it will be more complicated. The examples in the next section will help you understand how you should approach your assessment. When is an auction prize a donation? There are two possible donation “components” to auction prizes: when you receive an item or service for auction when you auction the item or service Receiving the prize You need to report an auction prize when you receive a prize for auction either without charge or at a non–commercial discount. This counts as a donation to you if: the value of the prize, if the item is given free of charge exceeds £500, or, the amount of the discount exceeds £500 If the item is given free of charge, the amount of the donation will be the value of the item. If the item is given at a discount, the amount of the donation will be the value of the discount. At the auction A further donation is made to you if the buyer pays more than the prize is worth, and if the difference between the item’s worth and what the buyer pays is more than £500. If you pay the full value of the item when acquiring an auction prize, no donation has been received at that point. If the successful bid for the auction prize is at or below the value of the prize, no donation has been made. If the successful bid for the auction prize is more than £500 above the value of the prize, then a donation has been made. Last updated: 31 March 2022 Book traversal links for The guiding principle Auction prizes Valuing prizes: how to make an honest assessment