1. **Accepting goods for auction**

   - No corporate donations – either direct or indirect
   - No donations of more than $200 from associations not registered with the Board
     - (May be permitted with additional financial disclosure. Contact the Board office for more information.)
   - For candidates, be aware of how a donation affects your various limits or may cause other types of violations, especially if the donation is from a lobbyist.

   Best practice: Accept donations only from individuals.

2. **Recording donation transactions**

   - A donation for a silent auction is an in-kind contribution to the recipient.
   - Every in-kind donation of more than $20 must be recorded. Count the total value of all items donated by a single individual when determining whether to record the donation or not. Do not divide the donation into multiple items to avoid recording.
   - If the fair market value of the donation is $20 or less, no record is required for campaign finance purposes. However, the treasurer may wish to keep a record for internal committee purposes.
   - The information that must be recorded is the same as for cash contributions: Name and address of donor, fair market value amount of contribution, date received, a description of the goods/services donated, and employment information if the donation is more than $200.

   Best practice: Create a donation receipt form including donor name, address, employment information, date, item, and estimated value. Use "if" statements for optional information based on value (For example: If the amount is more than $200, fill out the employment information below.)

3. **Recording in-kind expenditures resulting from accepting donations**

   - Each in-kind donation of more than $20 results in an equal in-kind expenditure.
   - Record the following information about the in-kind expenditure:
     - The "vendor", who is the same as the donor of the goods
     - A description of the item(s) donated

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- The value, which is the same as the value of the in-kind receipt
- The date, which is the same as the date of the in-kind receipt

Best practice: Record both the in-kind receipt and the in-kind expenditure at the time the item is accepted.

4. Valuing in-kind donations and expenditures

- The amount of an in-kind expenditure is always the same as the amount of the in-kind receipt that triggered the expenditure.
- An in-kind donation must be reported at its "fair market value".
- Fair market value is "the amount that an individual would pay to purchase the same or similar service or item in the open market".
- Fair market value is determined by both subjective and objective factors but does not include a "premium" that a silent auction purchaser might add because he or she wants to help out the seller.
- Contact Board staff if you wish to further discuss determinations of fair market value.

5. Selling items at the auction

- The auction is entirely separate from the process of obtaining items to sell.
- Each purchase at an auction is considered a cash contribution to the seller.
- Report purchases as cash contributions. Do not report what was purchased or the fact that the cash contribution is related to a silent auction.
- The full amount of the purchase price is the amount of the contribution. Do not reduce the purchase price by the value of the item for reporting purposes.
- For internal purposes, the treasurer will want to retain records relating the contributions back to the items purchased.

6. Financial controls

- Treasurer must maintain control over the process
- If others are soliciting and accepting donations, report all required information to the treasurer promptly
- Donation receipt forms should be delivered to treasurer
- The treasurer makes the final determination on fair market value
- All bid sheets from silent auction should be retained by treasurer
- All payments must be turned over to treasurer promptly
- Records must be retained for four years after the reporting year during which the transaction occurred.