



Is an Auction Right for Your Organization?

Here's what to keep in mind.

BY MICHELLE HOLMAN

More than 100,000 charity auctions occur in the U.S. each year. Organizations from local schools to national nonprofits are using auctions to raise funds and fill the gap left by dwindling funding sources. Is an auction right for your organization? Here are some things to consider.

Does an auction fit into your fundraising and strategic plans? Auctions can be great social gatherings and community-building events. If the event is planned and executed well, donors go away feeling positive about your cause and often turn into long-term supporters. Guests enjoy auctions because they receive something tangible in return for their donation. Sponsors appreciate the exposure, and the event can be a valuable team-building activity for your staff, volunteers, and supporters.

But will an auction complement your other fundraising activities? Will your donors be receptive? Are there new audiences you are trying to reach? How can you make your auction different from others in your market? What timeframe is best for holding it? When will competition in the form of other special events be minimal? Consider talking with top

donors and other key influencers to gauge their interest in an auction and what would make them attend.

What's your budget? While auctions can raise thousands of dollars in just a few hours, there are many costs involved. Expenses include food, beverages, flowers, venue, entertainment, computer management systems, rented equipment, and publication of auction invitations and catalogs. Don't skimp on lighting, a good sound system, and an auctioneer, all of which can make or break an auction. And don't overlook simple things like table decorations, which people love to take home.

To get a handle on your budget, outline auction goals, and estimate all

preparation costs. When budgeting, keep in mind that 70% of revenue comes from the live auction portion of the evening (85% of the items' stated value is received by the charity), 20% from the silent auction (50% of the stated value is made), and 10% from "fund-a-cause" (of which 100% benefits the charity). While many things can be donated, there will still be hard costs involved. Use ticket sales and sponsorships to cover these costs. By planning ahead, you can accurately determine how much you'll need to raise through auction revenue to reach your goal.

Do you have enough time to plan the event? Planning should start 11 months ahead to make sure there's enough time to secure a venue, recruit volunteers, procure items, and organize and publicize the event. In addition to recruiting an auction chair and co-chair, it's a good idea to form committees of volunteers to oversee such areas of responsibility as procurement, silent auction, live auction, decorations and set-up, entertainment, invitations, volunteer coordinator, publicity, registration, check out, item pick-up, and clean-up.

Procurement takes time and is an important key. The success of an auction depends on the value and demand for

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CREATIVE FUNDRAISING IDEAS

Seek Unique Auction Items

The more unique the items you put up for bid, the more money they're likely to reap. Examples of successful auction items include a one-ton dumptruck-load of cow manure and a life-size dog cut from a piece of pine by a chainsaw carver. See www.benefitauktion.com.

Make It Personal

An auction to raise money for families of flight attendants who perished on September 11, 2001, raised over \$289,000 in one evening. The silent auction included signed memorabilia and artwork personalized to September 11. The live auction included dates with flight attendants, pilots, firefighters, police officers, and federal agents. Think of ways you can personalize your auction to your cause.

Try a Silent Auction Emcee

Live auctions always have an auctioneer describing each item up for bid. Try that same approach with a silent auction. Have an emcee with a portable microphone walk among the auction items and describe them. See www.stevensoninc.com.

items up for bid. The best lots are items, experiences, and activities that are not easily purchased, which have greater value and will encourage people to attend the event. When determining procurement items, think about the make-up of prospective attendees, their interests, and a realistic budget range for bidders. School auction? Put kids' artwork or class projects, the latest computer or entertainment systems, a family ski trip, or vacation to Disneyland up for bid. Be creative with your lots! You'd be surprised at the interest in a group father-son baseball outing or a mothers-only social gathering hosted by a well-liked parent. Assign committee members specific categories to target, such as restaurants, hotels, and entertainment. Find out who knows whom, and leverage those relationships.

Make time to talk with people at organizations similar to yours who have run successful auctions. If possible, attend a charity auction seminar, which will offer helpful insights.

Do you have the necessary resources? Determine whether you or a dedicated staff member has the time and energy to plan an auction and coordinate with the auction chair, co-chair, and committee members. You'll also need a team of volunteers on-site to support the event. The night of the event, plan on one volunteer for about every 10 guests. For example, a 250-person event would have six volunteers at registration, four spotters during the live auction, six at item pick-up, and nine for set-up and clean-up. Be upfront with your staff and volunteers on the responsibilities and time commitment involved.

Many larger organizations use event-management software to electronically manage auction event planning and processes—from procurement to bid

tracking. Payment-processing technology streamlines auction check-in, virtually eliminates end-of-evening cashier lines, speeds fund transfer, and lowers credit-card processing expenses—meaning you'll have more funds to benefit your organization. ■

Resources

Alford, Jimmie, *Resource Development Videotape*.

"Going, Going, Gone! How Much Can Charity Bidders Deduct?," *Nonprofit World*, Vol. 19, No. 5.

Major, Mimi, "Taming the Beast: Four Keys to that Special Event," *Nonprofit World*, Vol. 20, No. 4.

Muehrcke, Jill, *Are You Sitting on a Gold Mine? Fundraising Self-Assessment Guide*.

Muehrcke, Jill, ed., *Fundraising and Resource Development, Leadership Series*.

These resources are available from the Society's Resource Center, www.snpo.org.

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at the interest in a
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