



Standard Practice for Sales of Personal Property¹

This standard is issued under the fixed designation E2858; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ϵ) indicates an editorial change since the last revision or reapproval.

1. Scope

1.1 This practice encompasses how assets may be sold.

1.2 Sales of assets may be done when assets used by the entity are no longer required, or to sell assets acquired for the purpose of sale or re-sale. The objectives of a sale will vary by entity; for instance, the goal may be to facilitate the replacement of assets, to obtain needed funds from sales proceeds, or simply to remove assets from the entity's control and management.

1.3 This practice does not include sales requirements or restrictions specific to any regulatory body or the various levels of government in which an entity operates. However, this practice provides the entity options for flexibility to best integrate those external requirements.

1.4 This standard does not purport to address all of the safety concerns, if any, associated with its use. It is the responsibility of the user of this standard to establish appropriate safety and health practices and determine the applicability of regulatory limitations prior to use.

2. Referenced Documents

2.1 *ASTM Standards*:²

[E2135 Terminology for Property and Asset Management](#)

[E2675 Practice for Property Management System Outcomes](#)

3. Terminology

3.1 *Definitions*—For additional definitions for property and asset management, see Terminology [E2135](#).

3.1.1 *lotting, lotted, v*—to consolidate or distribute assets being sold into identifiable groupings, to be sold for one price, to provide the best number of items or the best mix of different items with the intent to increase prospective bidder interest.

3.1.2 *terms and conditions, n*—basis on which the sale, award, and transfer of the assets are to be conducted.

¹ This practice is under the jurisdiction of ASTM Committee [E53](#) on Asset Management and is the direct responsibility of Subcommittee [E53.04](#) on Reutilization and Disposal.

Current edition approved Aug. 1, 2012. Published October 2012. DOI: 10.1520/E2858-12.

² For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

4. Summary of Practice

4.1 Entities sell assets for multiple purposes, often simply to dispose of assets no longer required by the owning entity (“surplus” assets).

4.2 Entities should implement asset management systems to optimize performance in accordance with Practice [E2675](#), such that sales decisions are supported by current and accurate information.

4.3 Sales should be conducted to maximize the benefit to the entity, while minimizing risks subsequent to the sale.

5. Significance and Use

5.1 This standard identifies cost-effective sales as a business process of the entity. The central objective is to ensure that assets are sold in a manner best suited to meet the goals of the entity.

5.2 This standard provides options and considerations to take into account to effectively manage the entity's assets when considering asset sales.

6. Decision Process

6.1 Entities may consider selling assets to:

6.1.1 Obtain funds needed to offset the cost of acquiring replacement assets better suited to meeting the entity's requirement,

6.1.2 Obtain operating funds, or

6.1.3 Eliminate operational costs associated with overall management of the asset, that is, taxes and costs of custodial oversight.

6.1.4 Facilitate the continued use of surplus assets which avoids the assets entering the waste stream or the costs of remediation.

6.2 The sales method selected should take into account the reason for the sale and should consider the expected or required proceeds and the time frame in which the sale is to be conducted.

6.3 An entity should evaluate expected sales costs and anticipated proceeds and consider other methods of disposal if the net costs of sale are greater than the net costs of other disposal methods.

7. Pre-Sale Activities

7.1 Asset records should be reviewed to ensure validity and accuracy to guide the selection of the sales method and the processes. Considerations should include the following:

7.1.1 A clear indication that the asset is not needed within the entity.

7.1.2 Eligibility for sale based on evaluation of the following concerns and the ability to economically address identified issues:

7.1.2.1 Asset contamination by hazardous substances.

7.1.2.2 Export control eligibility.

7.1.2.3 Sensitive information in or on the asset (entity information or otherwise).

7.1.3 Information, including, but not limited to the age of the asset, the original cost, current market or appraisal value, and the repair history can be used to develop current value and sales expectations; and

7.1.4 Condition and operating status of the asset must be accurately portrayed.

7.2 An assessment should be made regarding the marketability of the assets considered for sale.

7.3 Terms and conditions of sale need to be developed and publicized consistent with the method of sale. The terms and conditions should summarize how the sale will be conducted and how the buyer or winning bidder will be determined. Terms and conditions may include the following information and instructions:

7.3.1 Inspection opportunities;

7.3.2 Condition and location of asset and sale;

7.3.3 Eligibility criteria for buyers and bidders;

7.3.4 Consideration of offers and bids;

7.3.5 Bid or offer deposits and payments;

7.3.6 Submission of bids or offers;

7.3.7 How transfer of title will be effected;

7.3.8 Delivery, loading, and removal of asset;

7.3.9 Default, returns, warranties, or refunds; and

7.3.10 Modifications, withdrawals, or late bids or offers.

7.4 Assets should be lotted effectively to realize goals of the sale. Lotting of individual asset items can be used to target specific end users and better manage visual inspections. Larger lot sizes typically invite bids from large-scale processors and resellers, whereas smaller lot sizes facilitate the inspection of individual items of interest to the end user.

7.5 Inspection of assets to the greatest extent possible should be encouraged to both generate interest in the asset and allow buyer or bidder confirmation of its condition.

7.6 Advertising of sale should be consistent with the value of the asset being sold, the method of sale, and the desired outcomes. Typically, the entity should expect higher proceeds when advertising is spread to a greater number of people, is more targeted to a specific audience, or is made through the most appropriate media. Advertising the sale through trade journals, mass media, or to special interest groups should be considered.

7.7 When third party sales are conducted, approval to sell must be obtained from the owning entity.

8. Sale of Assets

8.1 Asset sales may be conducted by the owning entity or a qualified third party seller selected by the owning entity.

8.2 Resources required at the sale may include storage facilities, inspection facilities, cashiers, signage, customer service personnel, security, capabilities to accept various payment methods (such as credit card readers and cash for making change), receipts, export information, and title forms.

8.3 *Sales Methods to Consider:*—

8.3.1 *Public Auction*—A competitive bid sale to obtain maximum sales proceeds. Bidders typically know of other bids so they can increase their bids in the attempt to be the highest bidder and obtain the asset as the winning bidder. Auction may be held live, online, or both live and online simultaneously.

8.3.2 *Sealed Bid*—Sale in which the bidders are invited to submit their best offer for the asset offered for sale. Bidders are notified of the winning bidder and sale price. Normally bidders do not have a chance to revise their bids once submitted.

8.3.3 *Negotiated Sale*—Sale made without using a competitive bidding process to determine the final price. Final price is mutually agreed to by the buyer and seller. Price competition may be obtained at early stages of the process.

8.3.4 *Retail Sale*—A non-competitive sale where buyers may purchase the asset at a predetermined price.

8.3.5 *Absolute Auction*—A type of auction where the highest bidder acquires the asset being auctioned (irrespective of the bid amount) and where the item does not have a reserve price below which it will not be sold.

9. Post-Sale Activities

9.1 The entity should ensure that the asset is ready for transfer to the buyer as provided for in the terms and conditions.

9.2 Once the asset has been provided to the buyer in accordance with the terms and conditions of the sale, the asset record will be updated to reflect the sale and the fact that the asset is no longer available for use or sale by the entity.

9.3 Sales documents and source data must be finalized and accessible to provide a clean audit trail of the sale and the proper disposition of the asset.

9.4 Metrics should be maintained to determine workload, sales proceeds, and efficiency of sales methods. Examples of metrics for consideration include volume of assets sold (quantity or value, or both), raw proceeds figures, percent of sales above estimated fair market value, sales cycle time, and customer satisfaction ratings.

9.5 Funds should be distributed in accordance with the purpose for sale (see 6.1) or other agreements.

10. Keywords

10.1 auction; bid; bidding; lotting; sale; terms and conditions

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