

VETERAN'S STRATEGIC SOLUTIONS LLC

Auctions

Business Startup Guide and Workbook

A start guide for getting your own business off the ground

Veteran's Strategic Solutions LLC — Business Model Series

Before You Read This

This guide works anywhere in the United States. Dollar figures are ranges and estimates, not quotes. Licensing information changes — verify everything with your own state before you act on it.

Wherever there is a blank line, write in your own answer. A guide you have not filled in is just reading material.

What This Business Actually Is

Somebody has a houseful of belongings, a farm's worth of equipment, or a shop full of inventory, and they need it turned into money quickly. You sell it for them and take a percentage.

You are not primarily a fast talker with a gavel. You are a liquidator. The chant is the smallest part of the job. The work is knowing what things are worth, getting the right buyers into the room, and settling up honestly afterwards.

What this is not: something you can start next Saturday. This is the most heavily licensed business in this series, and you need to understand that before you spend anything else.

Honest Gut Check

- Are you willing to spend money and weeks on schooling before you earn a dollar? In roughly half the country that is not optional.
- Can you tell what an object is worth, or learn to? Mispricing is how auctioneers lose clients and reputations.
- Are you comfortable working with families in a bad week? Most estates come from a death, a divorce, or a foreclosure.

If those are yes, this is a trade with real staying power. If the third one is a no, that is worth knowing now — it is most of the job.

What the Odds Actually Are

Approximately three out of four new businesses make it through their first year. Approximately half are still running at five years. Approximately one in three make it to ten. (U.S. Bureau of Labor Statistics, Business Employment Dynamics.)

Two honest caveats. Those numbers barely move by trade — federal data shows only a few points between the best and worst industries. And they count businesses with employees on a payroll, so a person working alone is largely not in them.

One thing specific to this trade: the licence is a filter, and filters cut both ways. Fewer people can enter, which means less competition once you are through. But your money and months are committed before you know whether you enjoy the work.

What separates the ones who last:

A cash cushion. You may be six to nine months from your first commission. Plan for that stretch before you begin it.

Charging enough. Auctioneers who cut commission to win a consignment discover the work costs more than the fee.

Money that repeats. Estates are one-offs. Banks, equipment dealers, storage facilities and municipal surplus departments are accounts that call you every month.

Sticking with it. Reputation in this trade compounds slowly and then all at once.

What You Might Actually Earn

Published figures for auctioneer income vary enormously depending on the source and how “auctioneer” is defined. General salary-aggregator estimates put a national average in the neighborhood of approximately \$48,000, while other surveys of established professional auctioneers report medians well above that, up toward approximately \$149,000. Treat both numbers as rough estimates, not a floor or a ceiling.

That spread is not a mistake in the data. It reflects a trade where a rural household auctioneer working part time and a full-time equipment or real-estate auction professional are counted in very different survey populations. What you earn depends almost entirely on what you sell, not on how good you are at selling it. Equipment, real estate and specialty collectibles pay far more per sale than household goods.

The useful takeaway is that the category you specialise in matters more than anything else on this page.

Snapshot

Money to start	\$1,500 to \$6,000 in a licensing state
Storefront needed	No, but you need somewhere to hold sales
Skill gate	High — valuation knowledge and crowd handling
License	Roughly half the states require one. This decides your timeline
Time to first dollar	Three to nine months in a licensing state
Income shape	A percentage of each sale

Part 1 — Making It a Real Business

Do these in order. Step 1 is not optional and not skippable.

Step 1. Find Out What Your State Actually Requires

This changes whether the business is three weeks away or nine months away, so it comes before everything.

Twenty-six states have no dedicated state auctioneer-licensing board. The other twenty-four do. Where a licence is required, expect some combination of pre-licensing schooling, a state exam, a surety bond, a background check and annual continuing education. Requirements run from light to approximately eighty hours of approved instruction plus an exam.

Do not stop reading if your state is on the no-licence list. See Part 4 — that list is more complicated than it looks.

Search your state name plus “auctioneer license” and go to the state licensing board directly. Ask them three things specifically:

- Do I need a separate firm or auction company licence as well as a personal one?
- Does the licence cover online-only auctions? Some states do not regulate internet auctions at all. Others treat them exactly like live sales if the bidders or the goods are in-state. Do not assume online is a way around it.
- Do you have reciprocity with other states? Many licensing states recognise each other, which matters if you are going to move.

My state requires: _____ Bond amount: _____ Pre-licensing hours: _____

Step 2. Budget for the Licence Honestly

Where a state requires it, expect school, exam and application fees plus a bond. Bond coverage runs from approximately \$2,000 to \$50,000 depending on the state. You do not pay that amount — you pay an annual premium of roughly one to five percent of it, priced off your credit.

Step 3. Sole Proprietor or LLC

State LLC filing fees run from approximately \$35 in Montana to \$500 in Massachusetts, about \$132 on average, plus an annual fee from nothing to \$800. Check licensing, zoning, and tax rules for your own city and state before starting.

In this trade, form the LLC early rather than late. You are handling other people's property and other people's money, and that separation matters more here than in most businesses.

Step 4. Get an EIN — It Is Free

Apply at irs.gov. Five minutes, no cost. Services charge \$50 to \$100 to fill in a form you can fill in yourself. Do not pay it.

Step 5. Open a Separate Trust or Escrow Account

This is the step that ends careers when it is skipped. When you sell somebody's property, that money is theirs until you settle up. Many states have specific rules about how those funds must be held and how quickly they must be paid out.

Commingling client proceeds with your operating money is the single most common reason state boards discipline auctioneers. Open the second account before your first sale, not after.

Step 6. Open a Normal Business Bank Account Too

Separate from the trust account and separate from your personal money. Your commission moves from the trust account to this one after settlement. Three accounts sounds like a lot. It is the correct number.

Step 7. Understand What You Owe

You pay self-employment tax of 15.3% on net business income — Social Security and Medicare, the part an employer used to cover — plus income tax on top at your normal rate.

If you expect to owe \$1,000 or more in federal tax for the year, pay quarterly. Due dates are April 15, June 15, September 15 and January 15 of the following year, moving to the next business day when one falls on a weekend or holiday. Pay 100% of last year's total tax split into four and you cannot be penalised; make it 110% if last year's income was over \$150,000.

Set aside 25 to 30 percent of every commission the moment it arrives. Not the gross sale — your commission. Confusing the two is easy in this trade and expensive.

Step 8. Sales Tax, and Insurance

Most states treat the auctioneer as the retailer on the sale. Ask your state revenue department in writing whether you or the consignor is responsible for collecting and remitting it.

For insurance: general liability, plus coverage for property in your care, custody and control. You will be storing and transporting things you do not own.

Part 2 — The Rules You Are Now Working Under

You are handling other people's money. Your consignor's proceeds are not yours until you have settled. Trust account discipline is what state boards discipline auctioneers over, more than anything else.

The buyer's premium must be disclosed before bidding starts. Every time, in writing, in the terms of sale. Your commission arrangement with the seller is private. The premium the buyer pays is not.

Do not bid on your own auction, and do not let a seller bid up their own goods unless your state expressly permits it and it is disclosed. Shill bidding is fraud, not a grey area.

Two categories that will get you in trouble quickly:

- **Real estate.** Selling property at auction usually requires a real estate licence in addition to your auctioneer licence. Two licences, not one. Some states require both even for an online real estate auction.
- **Firearms.** Selling them involves federal firearms licensing (an FFL) and its own body of law, on top of any state auction rules. Do not accept a firearms consignment until you have sorted that out separately, typically by working through or becoming a federally licensed dealer.

Get every consignment in writing. What you are selling, your commission, the buyer's premium, who pays for advertising and hauling, what happens to items that do not sell, and when the seller gets paid. Verbal agreements with grieving families end badly for everyone involved.

Part 3 — How You Actually Get Paid

Two separate fees come off the same hammer price, and understanding this is most of the business.

Seller's commission is deducted from the hammer price and reduces what the seller receives. It varies enormously by category — low single digits on high-value real estate and equipment, up into the twenties on general household goods.

Buyer's premium is added on top of the hammer price and paid by the buyer, commonly 10 to 25 percent. It does not come out of the seller's proceeds.

Worked Example

An item hammers at \$1,000. You charge the seller 20 percent commission and the buyer a 15 percent premium.

- The buyer pays \$1,150 (hammer \$1,000 + 15% premium of \$150)
- The seller receives \$800 (hammer \$1,000 – 20% commission of \$200)
- You collect \$350 on a \$1,000 item (\$150 premium + \$200 commission)

That is why the two-fee structure exists, and why an auctioneer advertising “only 10 percent commission” may be earning more than one charging 25. Look at the total take, not the headline number — and understand that your competitors are doing the same.

What It Costs You to Run a Sale

Advertising, labour to set up and clean out, hauling, card processing, a venue if you do not have one, and online platform fees if you run it hybrid. A sale that grosses \$12,000 can easily cost \$2,000 or more to put on. Know your number before you set your commission.

If the Licence Is a Wall Right Now

Estate sales — fixed prices, no bid calling — are generally not regulated as auctions in most states. Same clients, same estates, much of the same skill. Estate sale companies commonly charge approximately 30 to 50 percent of total sales, averaging around 35 to 40 percent.

Confirm your own state's position, but it is a way to build client relationships and pricing knowledge while a licence is in progress.

Part 4 — Finding Out Whether Your Area Supports This

The Licensing Map Is Not What It Looks Like

Start here, because this is where people get the wrong answer.

Twenty-six states have no state auctioneer licence. It is tempting to read that as “no licence needed.” In many of those states, the requirement simply moved down a level.

- Connecticut requires a licence issued at the town level, through the town clerk where the auction is held, rather than a state board.
- Minnesota and Oklahoma hand the licensing or bonding authority to the county rather than the state.
- Even where no state or county board exists, a city or county may still require a general business licence, a peddler's or itinerant-vendor permit, or sales-tax registration before you can legally run a sale there — check city hall and the county clerk, not just the state licensing search.
- Cheyenne, Wyoming requires a city auctioneer business licence and a bond, even though Wyoming has no statewide auctioneer board.
- A handful of states that do not license the individual auctioneer still require the auction company itself to register, post a bond, or file with the state's consumer protection or attorney general's office for each sale — a separate check from the personal-licence search.
- Oregon requires no personal licence but regulates auction sales, consignment sales and auction marts by statute anyway (ORS Chapter 698), with its own disclosure and bonding rules.

The lesson: “my state does not license auctioneers” is not the end of the research. It is the beginning of it. Check the state, then the county, then the city. The requirement is often sitting one level down from where you stopped looking.

State licensing information changes. Confirm the current list and requirements directly with your state's licensing board or the National Auctioneers Association before you budget or schedule around it.

Then Check Who You Would Actually Be Competing With

Step 1. Search your county plus “auctioneer,” then “estate sale company,” then “farm auction.” Write down every result with its review count.

Step 2. Look at what they sell, not just how many there are. An auctioneer who only handles high-end farm equipment is not competing with you for household estates. A general estate liquidator is. Count only the real overlaps.

Step 3. Find who feeds them. Auctions come from repeat referral sources, not advertising. Estate attorneys. Bank trust departments. Nursing home discharge planners. Realtors who list inherited houses. Storage facilities with abandoned units. Equipment dealers. Municipalities with surplus.

Ask a probate attorney who they refer families to, and why. That one conversation tells you more about your market than a week of searching.

Step 4. Check the auction calendar. Most regions have listing sites where upcoming sales are posted. A county running three auctions a month has room. One running fifteen does not.

Auctioneers in my county: _____ Auctions posted per month: _____

The second counterintuitive part: competitor count matters far less here than who holds the referral relationships. A county with six auctioneers where the probate attorneys are unhappy with all of them is a better market than a county with one auctioneer everybody trusts.

Part 5 — Your First Consignment

You will not get a whole estate first. You get a piece of one.

- Work someone else's auctions first. Ring man, clerk, setup crew. States with an apprenticeship requirement build this in anyway. You will learn more in six sales than in the whole classroom.
- Tell every referral source you exist. Estate attorneys, realtors, storage managers. Not a pitch — an introduction and a card.
- Take a small first job. One storage unit. One shed of tools. Something you can handle badly and survive.
- Settle up fast and clean. Pay your consignor sooner than promised, with an itemised statement. That single behaviour is what gets you the next three jobs.

What to Actually Say

Most of your early conversations are with people having a hard week.

Calling a referral source: "I'm _____, I'm an auctioneer here in the county. I'm not asking for anything today — I just wanted you to know I exist, in case you've got a family who needs a house emptied and doesn't know where to start."

Meeting a family for the first time: do not lead with your commission. Lead with "Walk me through the house and tell me what matters to you." Some of it they want to keep and some they cannot bring themselves to look at. You need to know which is which before you talk money.

When they ask what it is worth: "I won't know until I've been through it properly, and I'd rather tell you the truth in two days than a nice number today." Never inflate an estimate to win a job — you have to face them on settlement day.

When they say another company quoted lower: "They might be the right call. Ask them what the buyer's premium is and what comes out for advertising and cleanout, then compare what you'd actually take home." That is an honest answer and it usually wins.

When you do not know what something is: say so, and say you will find out. Pretending is how a \$4,000 item sells for \$200 in front of the family.

Part 6 — Pricing Your Services

Tier	What it looks like
Low	Seller commission 10 to 15 percent, buyer's premium 10 percent. High-value, easy-to-sell lots
Mid	Seller commission 20 to 25 percent, buyer's premium 13 to 15 percent. General household and estate work
Premium	Full-service liquidation at 30 to 40 percent all in, including cleanout and the house left broom-clean

Recommendation: mid, with the cleanout priced separately and stated up front. The hidden cost that eats new auctioneers is the unsellable third of a house — the mattresses, the paint cans, the paperwork. If your quote included hauling that away and you did not price it, you worked for free.

Never quote a commission before you have walked the property.

Part 7 — Money Help for Veterans

VR&E, Chapter 31 — what is actually true.

The self-employment track is advertised widely as VA funding to start your business. The regulation requires that your service-connected disabilities be severe enough that self-employment is the only reasonably feasible career path for you. It is not a track you simply choose. VA data has shown that only a small fraction of VR&E participants — historically well under one percent, a couple hundred veterans a year nationwide — are approved onto the self-employment track out of the tens of thousands who use VR&E overall. Confirm the current-year figure with your VR&E counselor; do not plan around a specific number.

The long-term services track is different and far more commonly used. It covers vocational school, technical certificates and trade programs with no tuition cap, and can cover tools, equipment and certification exam fees.

The catch, and it is a real one: VR&E is an employment program, not an education program. If a counselor determines you can reasonably obtain suitable work with the education you already have, training gets denied. Anything funded has to sit inside an approved individualised employment plan that the counselor develops with you.

So auctioneer school is the kind of vocational training the long-term track can cover — but only if it is justified as the route to suitable employment for you specifically. Apply with VA Form 28-1900 and put the question to your counselor. Do not plan around a yes.

Free and reliable to everyone, regardless of rating: Small Business Development Centers, SCORE mentoring, and Veterans Business Outreach Centers.

Part 8 — The Three Places People Get Stuck, and How to Get Past Them

1. Paying for the Licence Before Testing the Work

Auctioneer school is real money and real weeks, and it is tempting to treat it as step one because it is the clearest step. But plenty of people finish school and then discover they do not enjoy standing in a stranger's late mother's kitchen deciding what her things are worth.

The fix: work someone else's sales first, even unpaid. Six auctions will tell you whether you want this. Then spend the money.

2. Underquoting to Win the Job

New auctioneers cut commission because it is the only lever they know. Then the sale takes four days of setup, two truckloads to the dump and \$600 of advertising, and the cheque does not cover it.

The fix: walk every property before quoting, and price the cleanout separately. "My commission is X, and hauling the unsellable items is Y" is a professional answer, not a nickel-and-dime one.

3. Waiting for the Phone Instead of Building the Referral Chain

Auctions do not come from advertising. They come from the four or five people in your county who are in the room when a family decides to liquidate. Most new auctioneers never introduce themselves to any of them.

You already know how to walk into an unfamiliar room and introduce yourself to somebody senior. That is the entire skill here, pointed somewhere new.

The fix: five introductions a week to attorneys, realtors, trust officers and storage managers. No pitch. Just be the name they remember.

None of these are reasons not to start. They are the three potholes in the road, and every one of them is avoidable if you know it is coming.

Part 9 — Your First 90 Days

Days	What you do
1 to 14	Call your state licensing board. Then the county, then the city. Get the real requirements in writing. Costs nothing.
15 to 30	Work someone else's auction. Ask to clerk or ring. Decide whether you want this.
31 to 45	If yes: enrol in school or file the bond, whichever your state needs. Form the LLC. Open the trust account.
46 to 60	Five referral introductions a week — attorneys, realtors, storage managers, trust officers.
61 to 75	Take one small job. A storage unit, a shed, a single collection.
76 to 90	Settle it fast and clean. Ask that client for one introduction.

The One Number to Track

For the first 90 days: referral sources who know your name.

Not sales. In a licensing state you may legally not be able to sell anything yet, and a number that reads zero teaches you nothing except how to feel bad.

Count the attorneys, realtors, trust officers and facility managers you have actually met — not emailed, met. That number is entirely within your control from day one, and it is the thing your business will eventually run on.

After your first sale, switch to: consignments per referral source. One attorney who sends you four estates a year is worth more than two hundred people who saw an advertisement.

Week 4: _____ Week 8: _____ Week 12: _____

A Last Word

Every hard thing in this guide — the licence, the bond, the months before the first cheque — is a wall that keeps other people out. You have cleared harder gates than a state exam and a surety bond. The families you will work for are having the worst week of their year, and they need somebody steady who tells them the truth about what things are worth. That is not a small job, and it is not one everybody can do.

This guide is a starting framework, not legal, tax or financial advice. Licensing, bonding, insurance and tax requirements vary by state, county and city and change over time. The state licensing overview in Part 4 reflects information gathered from multiple industry and state-government sources at the time of writing and should be confirmed directly with your state, county and city before you rely on it. Verify every regulatory item with the relevant authority before you operate. Tax figures reflect federal rules current as of September 2026. Dollar amounts and income figures are estimates, not quotes.

Startup Checklist

Use this checklist to turn the guide into a sequence of actions for your own market and circumstances.

- Call your state auctioneer licensing board, then the county, then the city.
- Choose the business structure you will use and form it early.
- Get an EIN and open a separate business bank account.
- Open a separate trust or escrow account for consignor proceeds, before your first sale.
- Check licensing, zoning, and tax rules for your own city and state before starting.
- Confirm general liability and care-custody-control insurance before accepting a consignment.
- Get every consignment agreement in writing before you touch the property.
- Set your commission and buyer's premium structure, and price cleanout separately.
- Build your referral list and make five introductions a week.
- Launch outreach and record every referral, consignment and settlement.

Equipment and Licensing Budget Worksheet

List the schooling, bond, licensing, and sale-day equipment required for the version of the business you plan to launch (PA system or auction software, tagging and clerking supplies, card reader, signage, trailer or hauling equipment).

Item	Required or optional	Estimated cost	Actual cost	Supplier or source

Budget summary	Amount
Licensing, school and exam fees	
Bond annual premium	
Startup equipment total	
Working cash reserve (6 to 9 months)	
Total funding needed	

Consignment Agreement and Commission Worksheet

Use this instead of a generic labor-and-materials estimate form. Every consignment gets one of these in writing before you touch the property — this is the single habit that keeps you out of trouble with state boards and with grieving families.

Consignor name	Item / lot description	Reserve (if any)	Est. hammer range	Seller comm. %	Buyer premium %	Who pays advertising/haul	Payout date

Sale-day cost estimate	Amount
Advertising	
Labor (setup/cleanout)	
Hauling	
Venue / platform fees	
Card processing	
Total cost to run this sale	

Settlement Statement Template

What you give the consignor after the sale — itemised, fast, and clean. This replaces a generic customer invoice, which is not what an auctioneer issues after a consignment sale.

Auctioneer / firm information	Consignor information
Business name:	Consignor name:
Address:	Address:
Phone:	Phone:
Email:	Email:
License / firm number:	Email:

Sale date	Settlement date	Lot / consignment ref.

Item description	Hammer price	Seller commission	Net to consignor

	Amount
Gross hammer total	
Total seller commission	
Advertising / cleanout charged separately	
Net due to consignor	

Payment method and terms: _____

Referral Source and Consignment Tracker

Record every referral relationship and every consignment so the business is managed from actual results. This replaces a generic sales lead tracker — this trade runs on referral sources, not cold leads.

Referral source	Type (attorney/realtor/trust officer/etc.)	Date met	Consignment s referred	Last contact	Next follow-up

Period	Referral sources met	Consignments taken	Gross hammer	Total commission

Compliance and Safety Page

Check licensing, zoning, and tax rules for your own city and state before starting.

	Requirement or safety point from the core guide
■	One thing specific to this trade: the licence is a filter, and filters cut both ways. Fewer people can enter, which means less competition once you are through. But your money and months are committed before you know whether you enjoy the work.
■	Twenty-six states have no dedicated state auctioneer-licensing board. The other twenty-four do. Where a licence is required, expect some combination of pre-licensing schooling, a state exam, a surety bond, a background check and annual continuing education.
■	"No state licence" is not the end of the research. Check the county and city level too — several states push the requirement down to a town, county or municipal licence instead.
■	Do not stop reading if your state is on the no-licence list. See Part 4 — that list is more complicated than it looks.
■	Search your state name plus "auctioneer license" and go to the state licensing board directly. Confirm firm-licence requirements, online-auction rules, and reciprocity.
■	My state requires: _____ Bond amount: _____ Pre-licensing hours: _____
■	Where a state requires it, expect school, exam and application fees plus a bond. Bond coverage runs from approximately \$2,000 to \$50,000 depending on the state; you pay an annual premium, not the full bond amount.
■	Open a separate trust or escrow account for consignor proceeds before your first sale. Commingling client funds with operating money is the most common reason state boards discipline auctioneers.
■	Real estate and firearms consignments each require licensing beyond your auctioneer licence — confirm both before accepting either type of consignment.
■	This guide is a starting framework, not legal, tax or financial advice. Licensing, bonding, insurance and tax requirements vary by state, county and city and change over time. Verify every regulatory item with the relevant authority before you operate.
■	Agency or authority contacted: _____
■	Written confirmation or permit saved at: _____
■	Review date: _____ Renewal or recheck date: _____

Launch Readiness

Auctions Guide

PLAN	SET UP	PRICE	SELL	TRACK
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Use the worksheets in this guide to record your own numbers, decisions and results.

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