

Consignment Agreement Recipe

Use the checklist below as basic ingredients to include when writing a consignment agreement. Be sure to review and finalize your agreement with your legal counsel.

Ingredients:

- A brief explanation of your store's mission
- Identify the "Seller" and the "Consignee"
- Describe goods to be sold
- Establish, in general, where goods will be displayed in store
- Set the minimum purchase price for the consigned merchandise
- Determine percent of purchase price that Seller will retain
- Decide frequency of sales reports and payment terms
- Specify details of theft and damage insurance, who is responsible when merchandise is in Seller's possession
- Outline any discount terms for specific sales volumes
- Set a consignment period during which Consignee will leave merchandise with Seller
- Determine protocol if merchandise is unsold by end of consignment period, define renewal terms, when and under what circumstances merchandise will be removed, who incurs shipment/delivery of merchandise costs, etc.
- Outline area for detailed contact and payment information for Consignee such as name of individual, name of business, address, phone numbers, e-mail address, checks to be made out to, tax ID number, etc.
- Tax terms (who will collect and who will report)
- Special arrangements for consumer warranties
- Cancellation terms
- Assignability terms