

AMERICAN SOCIETY OF APPRAISERS

Gems & Jewelry Candidate Checklist



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Instructions

*ASA Board of Examiners GJ Appraisal Review Checklist
Adopted by Board of Examiners on: July 2013
Ref: USPAP Ethics, Definitions, Scope of Work Rule, Standards Rules 7 and 8,
Section 8 of the ASA "Principles of Appraisal Practice and Code of Ethics" and ASA GJ Guidelines*

As part of the ASA advancement process, Candidates must submit (2) two comprehensive appraisal reports to the Board of Examiners for review. One report must be an appraisal report establishing fair market value for an intended use consistent with that type of value. The second report should be for the intended use of obtaining insurance coverage. These reports should represent the Candidate's best possible work product. Both reports must show the appraiser's research and reasoning in arriving at a value. Please submit three (3) copies of each appraisal, or a complete digital copy.

The reports should be actual appraisals that have been submitted to a client, either with a signed waiver from the client authorizing use the report, or with all identifying client information redacted. See the GJ Guide to Professional Accreditation for a waiver agreement. Alternatively, the Candidate may compile the appropriate items from actual appraisals to satisfy the requirements of the type of report submitted.

In order to demonstrate understanding of appraisal methods and ASA GJ descriptive guidelines, **each report must include at least four (4) items:**

1. A diamond greater than 0.50ct (requiring a plot);
2. A colored gemstone significant enough to warrant a gemstone report;
3. An item for which the sales comparison approach takes precedence over the cost approach (antique, vintage or designer piece, and most items when fair market value is the objective); and
4. An item of the Candidate's choosing.

The checklist offers convenient criteria to help Candidates evaluate their gems and jewelry appraisal reports before submitting them. Examiners will use the checklist to review the Candidate's work product. **The checklist itself is specific to the ASA advancement process and is for use by Candidates and members of the ASA Board of Examiners only. It may not be used for any other purpose, or by parties outside the American Society of Appraisers.**

The checklist is divided into sixteen (16) main sections, many with sub-sections. Candidates must observe all of the main sections. Any report that fails to do so will be returned to the Candidate for correction, regardless of the quality of the rest of the report.

Not all of the components in the sub-sections are required for every appraisal report. All sub-section boxes are marked "Pass" or "Fail". When an item in a sub-section is conditional on the scope of work of the report, there is also a box marked "N/A". Omission of such an item in a sub-section will not cause failure of the entire section.

This checklist was developed in accordance with Standards 7 and 8 of the Uniform Standards of Professional Appraisal Practice (USPAP), ASA standards and the ASA Gems and Jewelry descriptive guidelines. Items are referenced as to their source. It will be helpful to Candidates to review USPAP standards before submitting appraisal documents for review.

Checklist

INSTRUCTIONS

- All applicable elements in the checklist must be present in your appraisals. Elements should be explained, described, or summarized, consistent with the intended use and intended users of the report.
- Advancement reports must pass all sixteen (16) sections. When an item in a sub-section is conditional on the scope of the report, mark the box “N/A” (Not Applicable).
- Please indicate in the left margin the page number in the report where each component is found.

P F

1. Format is professional and appropriate to the assignment.

	<i>P</i>	<i>F</i>	<i>N/A</i>	
_____	<input type="checkbox"/>	<input type="checkbox"/>		Type of appraisal meets advancement requirements
_____	<input type="checkbox"/>	<input type="checkbox"/>		Type and variety of subject jewelry meet specified requirements
_____	<input type="checkbox"/>	<input type="checkbox"/>		Legible name and contact information of the appraiser on appropriate letterhead
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Cover, title page, and table of contents are included, when appropriate
_____	<input type="checkbox"/>	<input type="checkbox"/>		Executive summary or cover letter summarizes important findings (<i>e.g. scope of work, type of value, intended use users, effective date, approach to value, markets researched, and values concluded.</i>)

P F

2. Characteristics of each property are described adequately for the type and definition of value and intended use of the appraisal—*USPAP 8-2 a,b,c iii; GJ Descriptive Guidelines.*

	<i>P</i>	<i>F</i>	<i>N/A</i>	
_____	<input type="checkbox"/>	<input type="checkbox"/>		ASA GJ Descriptive Guidelines adhered to (see attached) (<i>ASA GJ</i>)
_____	<input type="checkbox"/>	<input type="checkbox"/>		Identity of property described with sufficient characteristics to establish the relative quality of the item for its type (and its component parts, where applicable) (<i>USPAP 7-2 ei, eii</i>)
_____	<input type="checkbox"/>	<input type="checkbox"/>		All other physical and economic attributes with a material effect on value noted (<i>e.g. condition, style, size, quality, manufacturer, materials, origin, age, provenance, alterations, restoration</i>) (<i>USPAP 8-2 a,b,c iii</i>)

Checklist (Cont.)

P F

3. The report contains sufficient explanation of the type and extent of research and analysis performed to allow intended users to understand the scope of work. This scope of work must meet or exceed both the expectations of regular intended users for similar assignments, and peers' actions in performing the same or similar assignment— *USPAP 8-2a,b,c vii & Scope of Work Rule.*

Includes:

P F N/A

<input type="checkbox"/>	<input type="checkbox"/>	Type of Report (Appraisal Report or Restricted Appraisal Report) (<i>USPAP 8-2</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Client and other intended users by name or type (<i>USPAP 8-2a,b,c i</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Intended Use of the appraisal (<i>USPAP 8-2a,b,c ii</i>)
<input type="checkbox"/>	<input type="checkbox"/>	The property interest being appraised (whole or divided) (<i>USPAP 8-2a,b,c iv</i>)
<input type="checkbox"/>	<input type="checkbox"/>	The type of value(s) sought, definition and source (<i>USPAP 8-2a,b,c</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Effective date of the appraisal (date of valuation) and date of the report (<i>USPAP 8-2a,b,c vi</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Date of inspection (<i>ASA-GJ</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Clearly state the appraisal problem and the work performed to solve the problem, (<i>USPAP 8-2a,b,c vii, viii</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Extent to which the property was inspected (<i>USPAP 8-1c</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Extent of research and extent to which data was analyzed (<i>USPAP 8-2a,b,c viii</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Research and analysis not performed, when applicable (<i>USPAP 8-2a,b,c iv</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Clearly state any extraordinary assumptions or hypothetical conditions present, and the effect on the value conclusion (<i>USPAP 8-2a,b,c x</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Factual assumptions regarding the reliability of sources used (<i>USPAP 8-1c</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Value conclusion - if the value is not in cash, precisely describe other terms (<i>USPAP 8-2a,b,c x</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Limiting conditions that apply to appraising jewelry in general, and to this appraisal specifically, that might prevent or impede complete identification, including tolerances in measuring, weighing, and/or grading due to restrictions imposed by mountings, or other limiting conditions that affect research or analysis (e.g. physical location, environment, mountings, financial or time constraints imposed by the client, etc.) (<i>USPAP 8-1c</i>)

P F

4. Appraisal methods and techniques for each item are properly applied and disclosed— *USPAP Standards Rule 7-4, 7-5, 8.2.* Report includes sufficient information to indicate that the appraiser complied with the requirements of USPAP Standard 7.

Includes:

P F N/A

<input type="checkbox"/>	<input type="checkbox"/>	Approaches to value used in the appraisal (<i>USPAP 7-4; ASA</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Explanation of the exclusion of any of the three traditional approaches to value (<i>USPAP 8-4</i>)
<input type="checkbox"/>	<input type="checkbox"/>	If more than one approach to value was used, explanation of the reconciliation of the results and the relative weight given to each approach (<i>USPAP 7-6</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Any known liens or encumbrances on the property (<i>USPAP 7-2e v</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Existing use of the property (<i>USPAP 6-3b; 8-2a,b,c ix</i>)
<input type="checkbox"/>	<input type="checkbox"/>	Market level (appropriate market and market layer), summarized or analyzed (<i>USPAP 7-3</i>)
<input type="checkbox"/>	<input type="checkbox"/>	If an opinion of appropriate market was developed that is different from the current use, support and rationale provided (<i>USPAP 6-4b; 7-2a,b,c ix</i>)
<input type="checkbox"/>	<input type="checkbox"/>	If the information is available in the normal course of business, all Known prior sales of the subject property occurring within a reasonable and applicable time period should be listed. (<i>USPAP 7-5b</i>) List any agreements of sales, offers or listings of the property as of the effective date (<i>USPAP 7-5a</i>), any prior or prospective interest in the property and any services (appraisal or other) performed by the appraiser within the prior three year period.

Checklist (Cont.)

P *F*

5. Sufficient information for clients and intended users to understand the rationale for the conclusions—*USPAP Scope of Work Rule*.

P *F*

6. Conclusions that are logical and credible, with the presentation of supporting information (including data collected, analysis executed, and conclusion found)—*ASA Principles of Appraisal Practice and Code of Ethics*.

P *F*

7. Each analysis, opinion and conclusion communicated in a way that is not misleading, with effective date, type of value and intended use stated in proximity to the value conclusion—*USPAP Standards Rule 8-1a*.

P *F*

8. No substantial errors of omission or commission—*USPAP Standards Rule 7-1*.

P *F*

9. Report written in a careful and attentive manner, limiting errors that may affect the creditability of the report (e.g. errors in spelling, grammar, calculations, etc.) — *USPAP 7-1*.

P *F*

10. All pages numbered “1 of X” etc. for entire report—*ASA*.

P *F*

11. Signed certification of the appraiser consistent with USPAP Standards Rule 8-3 of current edition of USPAP, including all statements.

P *F*

12. Description of relevant quality guidelines used in the report, e.g. diamond grading, colored stone grading, ranking scales, treatments, etc.— *ASA-GJ*.

P *F* *N/A*

13. As appropriate, a glossary or explanation of any technical or professional terms used in the report.

P *F*

14. Qualifications of the appraiser clearly stated: professional involvement, length and type of experience, education, professional affiliations— *ASA*.

P *F*

15. Dated privacy notice for Federal Privacy Regulation – Gramm-Leach-Bliley Act.

P *F*

16. Sources consulted— *e.g. books, dealers, and internet listed or summarized as necessary considering the intended users and use of the report*.

Descriptive Guidelines

GEMS & JEWELRY DESCRIPTIVE GUIDELINES

Proper description of subject property is established in the context of the type of value and intended use of the appraisal assignment. Items of high monetary value command more attention and detail. Too little detail can result in inadequate replacement of insured items. Superfluous details, on the other hand, can result in inflated appraisal fees, loss of assignments, or a waste of the appraiser's time. The appraiser's judgment must guide the implementation of these requirements. The appraiser is responsible, in all cases, for properly documenting the client's property.

Scheduling Insurance Coverage

The identification of property for insurance coverage usually requires the most detailed description of any appraisal report, because it will most likely be the only information available to assist in replacing or claiming a lost or stolen item, or in repairing or compensating for a damaged item. Careful notation of small details or imperfections can be of great assistance later. The item must be described in sufficient detail to assure replacement with an identical or equivalent substitute property, or to facilitate identifying property that may be recovered by law enforcement.

Estate Appraisals

Estate appraisals prepared for probate, federal tax, and distribution to heirs, etc. Must describe an item to the extent that a person who is not knowledgeable about jewelry could *distinguish it from all the other items in the estate. And all elements that contribute significantly to the value of the piece* must be identified and rated. In valuing gems and jewelry for various estate purposes, particular care must be given to selection of appraisal methods and appropriate markets, in compliance with the laws of the particular jurisdiction. Keep in mind that in some states, the appropriate value definition and market level for state probate may be quite different from the appropriate value definition and market level for federal estate tax or charitable contribution.

An item's identification, treatment, or any other quality factor that cannot be determined without damaging it must be disclosed in the report, and the assumed identity labeled as such.

Its condition must also be considered, noting any damage or ordinary wear affecting durability or desirability in the report. Of particular importance, note any conditions that might contribute to loss or partial loss (such as a missing prong or broken clasp).

Photographs, micrographs as necessary, and scanned documents should be included in the report. Photographs are required to document the item's existence, record its condition, including any damage, and to aid in the identification or future replacement of the item. (An exception is allowed when the item is unavailable for physical inspection.)

The Object ID Project standardizes general descriptions of properties in an inventory or schedule. This system has been employed in the ASA Requirements for Description of Gems and Jewelry.

Literal Description

An item's literal description consists of factual information about value-related characteristics and features that all reasonable people would recognize and not dispute. This includes not only physical characteristics but also period or age, designer, hallmarks, condition and provenance when appropriate. The literal description does not include flowery language that reflects personal taste (e.g. "*beautiful* diamond ring" should not be part of a literal description).

Descriptive Guidelines

ASA DESCRIPTIVE ELEMENTS FOR GEMS AND JEWELRY

The level of detail for any item or one of its components is always in keeping with the type of report, the importance of the jewelry and its impact on the overall value.

Descriptive Elements for Jewelry

- A general description of the type of item (ring, bracelet, brooch, etc.)
- Style, motif (e.g. waterfall ring, hearts and scroll motif)
- Period of manufacture (approximate date)
- Metal type, color(s) and fineness
- Weight of the item (including or excluding gemstones, straps, etc.)
- Overall measurements/dimensions
- Method of manufacture (cast, die-struck, hand constructed, etc.)
- Finish (Florentine, satin, etc.)
- Findings (e.g. earring backs, type of clasp)
- Trademarks or serial numbers, if present
- Name of the manufacturer, if known or determinable
- Manufacturer's style number, if present or known
- Condition of the item
- Any endowed characteristics of value that have an effect on value (provenance, rarity, celebrity ownership, etc.)
- Photographs (front, back, side, trademarks, fineness marks and/or damage)

Descriptive Elements for Diamonds

Diamonds must be described and documented in GIA and/or AGS terminology. Any other system must be explained and correlated with at least one of those systems.

- Origin (natural vs. synthetic) must be noted.
- All known diamond treatments and enhancements that are detectible by currently available gemological means must be listed, including but not limited to laser drilling, coating, fracture filling, HPHT, etc. In the absence of certainty, the services of a leading laboratory must be secured, or the uncertainty recorded in the appraisal.
- All diamond descriptions must include: Actual or estimated carat weight (number and total weight for melee)
 - Color
 - Clarity
 - Shape
 - Proportions (state the average quality of cut for melee)
- Diamonds over 0.25 carat should also include Individual measurements
- Diamonds over 0.50 carat should also include Individual measurements
 - Fluorescence
 - Plotting diagram recommended
- Diamonds over 1.00 carat should also include Individual measurements
 - Detailed proportions (table size, girdle, culet) Additional GIA cut grade elements for round diamonds are recommended (crown angle, and height, star length, pavilion angle and depth, lower girdle facet length). Overall GIA cut grade is optional
 - Symmetry
 - Polish
 - Fluorescence
 - A plot or photomicrograph
- Photographs of unmounted diamonds are optional
- Photomicrographs are recommended for documenting significant inclusions and damage

Descriptive Guidelines (Cont.)

Descriptive Elements for Colored Gemstones

- Type of gemstone, and whether natural or synthetic. In the absence of certainty, the services of a leading laboratory must be secured, or the uncertainty recorded in the appraisal
- Species and variety
- Gemstone color, using a known, repeatable grading system (GIA-Square, GIA-Gem Set, Munsell, AGL ColorScan, Gem Dialogue™, etc.)
- Treatments and enhancements, where detected (heat treatment, irradiation, diffusion, dye, coating, fracture filling, etc.)
- Country of origin, if documented and relevant
- All melee should include
 - Shape
 - Quantity
 - Average measurements
 - Estimated total carat weight
 - Color
 - Clarity
 - Cut quality
 - Quality of matching
- Primary colored gemstones should include
 - Measurements
 - Estimated or actual carat weight
 - Shape
 - Color
 - Clarity
 - Cut quality (average cut quality for multiple gemstones)
 - Height and belly of cabochon
- For significant transparent colored stones, also consider
 - Bulge
 - Windowing
 - Extinction
 - Brilliance
 - Plot diagram for inclusions or damage that may have a significant effect on the value
- Photographs of unmounted gemstones are at the appraiser's discretion. Photomicrographs are recommended for documenting significant inclusions and damage

Additional Descriptive Elements for Gemstone Carvings

- Carving style (cameo, intaglio, dimensional)
- Material (e.g. shell, coral, onyx)
- Quality of carving
- Artist, if known
- Subject (e.g. portrait, city scene)
- Carving method (e.g. hand, laser)

Additional Descriptive Elements for Gemstone Beads

- Number of strands
- Length
- Knotted or unknotted
- Continuous or clasp with type and details

Descriptive Guidelines (Cont.)

Additional Descriptive Elements for Phenomenal Gemstones

- Asterism description should include
 - Centering
 - Number of legs
 - Sharpness
 - Definition
- Cat's-eye description should include
 - Centering
 - Sharpness
 - Strength of eye
- Change-of-color description should include
 - Colors exhibited
 - Degree of color change (e .g. percentage)
- Play-of-color gemstones such as opal should include
 - Variety (e .g. crystal, black, boulder, hydrophane)
 - Treatment, if any
 - Assembled, if applicable (e .g. doublet, triplet)
 - Body color
 - Play-of-color, by hue or hues
 - Predominant hue
 - Secondary hues
 - Hue intensity
 - Pattern (e.g. pinpoint, harlequin, rolling flash)
 - Distribution (e .g. percentage of stone covered)
 - Brightness
 - Directionality
 - Condition, including cracking or crazing

Other gemstones exhibiting optical color phenomena, such as moonstone, sunstone and ammolite, should include pattern size and colors exhibited.

Descriptive Elements for Jade

- Species must be determined (jadeite, nephrite, omphacite)
- Type: A (natural), B (polymer), C (dyed & polymer)
- Especially important to identify evidence of treatments. In the absence of certainty, the services of a leading laboratory must be secured, or the uncertainty must be recorded in the appraisal
- Fashioning
 - Cabochon
 - Slab
 - Bangle
 - Carving
 - Quality of carving
 - Motif
- Color description
 - Hue
 - Tone
 - Saturation
 - Uniformity
- Diaphaneity (opaque, translucent, etc.)
- Texture (fine, uneven)
- Polish

Descriptive Guidelines (Cont.)

Descriptive Elements for Pearls

Natural or cultured. In the absence of certainty, the services of a leading laboratory must be secured, or the uncertainty must be recorded in the appraisal

- If cultured, type (cultured, akoya, freshwater, etc.)
- Number (consider the impact on value)
- Size
- Shape (roundness)
- Color and overtone
- Luster
- Blemishes
- Nacre thickness
- Orient (if present, strength)
- Drilled, half-drilled, or undrilled
- Matching, when applicable

For necklaces and bracelets include:

- Number of strands
- Length of each strand
- Uniform or graduated
- Knotted or unknotted
- Continuous strand, or clasp (with type and details)

Organic Materials

Including, but not limited to:

- Shell
- Coral
- Wood
- Horn
- Ambers
- Ivory
- Jet
- Non-nacreous pearls such as conch or abalone

Descriptive Guidelines (Cont.)

Descriptive Elements for Watches

Sufficient description should be provided to facilitate replacement with a fully equivalent substitute should the current item be unavailable.

- Brand
- Model name/number
- Serial number
- Existence of original box and warranty
- Approximate date of manufacture
- Case and lugs
 - Material (case front and back)
 - Dimensions
 - Finish
 - Gemstones or diamonds
- Dial
 - Color
 - Chapters (hour markers)
 - Hands (e.g. style, color)
 - Gemstones or diamonds
 - Dial features (e.g. finish, sub-dials, second hand action, date window)
- Crystal material (e.g. synthetic sapphire, plastic, diamond)
- Crown (original or after-market)
 - Gemstone or diamond set
- Bezel (original or after-market)
 - Material/color (enamel, guilloché)
 - Functionality (e.g. rotating)
 - Gemstone or diamond set
- Movement
 - State whether watch was opened for inspection
 - Movement number/maker (if case has been opened)
 - Number of jewels
 - Type (e.g. quartz, mechanical)
 - Complications (chronograph, tourbillon, annual calendar)
 - State whether in working order
- Bracelet/strap (original or after-market)
- Material
- Total length
- Clasp type/material
- Diamonds or gemstones
- Additional descriptive elements for pocket watches
 - Case type (e.g. hunting case, open face)
 - Winding and setting mechanisms (e.g. stem wind, lever set)



11107 Sunset Hills Road, Suite 310
Reston, VA 20190
(703) 478-2228 • Fax (703) 742-8471
www.appraisers.org