

**AMERICAN SOCIETY OF APPRAISERS**

**PERSONAL PROPERTY**

# **Appraisal Report Writing Checklist**



# APPRAISAL REPORT WRITING CHECKLIST

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## ASA Personal Property Committee

This checklist incorporates USPAP, IRS and ASA PPC report writing requirements. All checklist items are required as applicable for appraisal reports prepared by ASA Personal Property Candidates, AMs, ASAs and FASAs. The requirements noted below for USPAP compliance or to meet IRS regulations are not specific to location per USPAP or IRS; they are suggested locations by the ASA Personal Property Committee.

Items that are required by USPAP in an appraisal report are noted with a triangle ▲  
Items that are required in an appraisal report by the IRS are noted with a bullet ●

## Instructions

Appraisers submitting reports for accreditation or advancement should ensure each item listed below is present in their report. On the line to the left of the item, indicate the page in the report on which the item appears. If an item is not applicable to the report, indicate so by writing "n/a." Please make sure that your reports are sent in a PDF, without letterhead and with absolutely no identification of the appraiser or client.

See IRS Revenue Procedure 96-15 . <https://www.irs.gov/pub/irs-drop/rp96-15.pdf>; IRS Art Appraisal Services preferred individual [appraisal item format](https://www.irs.gov/pub/irs-utl/appraisal_item_format.pdf) for works of art valued at over \$50,000, [https://www.irs.gov/pub/irs-utl/appraisal\\_item\\_format.pdf](https://www.irs.gov/pub/irs-utl/appraisal_item_format.pdf); and Contents of qualified appraisal for noncash charitable contributions, Source: Code of Federal Regulations 26 §1.170A-17(a)(1).

### I. Title Page

- \_\_\_\_\_ Letterhead or identification of appraiser (removed for submission for accreditation)
- \_\_\_\_\_ Client name and address ▲ ●
- \_\_\_\_\_ Owner, if different, name and address
- \_\_\_\_\_ Subject property (or summary of properties)
- \_\_\_\_\_ Type of Value ▲ ●
- \_\_\_\_\_ Intended use (for charitable contributions, additional statement that the appraisal was prepared "for income tax purposes") ▲ ●
- \_\_\_\_\_ Date of appraisal report ▲ ●
- \_\_\_\_\_ Effective date of valuation ▲ ●
- \_\_\_\_\_ Date of inspection (when applicable)
- \_\_\_\_\_ Appraiser's ID# (in US, when IRS-related intended use) ●
- \_\_\_\_\_ Appraisal reference numbers (when applicable)
- \_\_\_\_\_ Claim numbers, Case number (when applicable)

### II. Table of Contents

- \_\_\_\_\_ Sections of report listed
- \_\_\_\_\_ Page numbers listed

### III. Letter of Transmittal (composed in business letter format)

- \_\_\_\_\_ Date of appraisal report ▲ ●
- \_\_\_\_\_ Client name and address ▲ ●
- \_\_\_\_\_ Effective date of valuation ▲ ●
- \_\_\_\_\_ Date of inspection (if applicable) ▲ ●
- \_\_\_\_\_ Type and definition of value ▲ ●
- \_\_\_\_\_ Intended use (for charitable contributions, statement that the appraisal was prepared “for income tax purposes”) ▲ ●
- \_\_\_\_\_ Property appraised (or summary of properties) ▲ ●
- \_\_\_\_\_ Summary of contractual obligations
- \_\_\_\_\_ Number of pages in appraisal report (as text or numerical)
- \_\_\_\_\_ Ownership rights, restrictions and interests in the property appraised (e.g., leasehold, fractional interest, liens, etc.) ▲ ●
- \_\_\_\_\_ Location of property inspection and others who attended inspection
- \_\_\_\_\_ Assignment conditions such as extraordinary assumptions and hypothetical conditions (if applicable) ▲
- \_\_\_\_\_ ASA compliance statement (AMs, ASAs and FASAs only)
- \_\_\_\_\_ Statement of USPAP compliance and disinterest/interest ▲ ●
- \_\_\_\_\_ Statement about prior experience with property in last three years (if applicable) ▲
- \_\_\_\_\_ Statement of conclusion of the contractual obligation/completion of assignment (if applicable)
- \_\_\_\_\_ Concluded Opinion of Value (stating Type of Value) ▲ ●
- \_\_\_\_\_ Special Scope of Work provisions (if applicable)
- \_\_\_\_\_ Signature block with signature
- \_\_\_\_\_ Statement of appraiser qualifications (for charitable contributions)
- \_\_\_\_\_ Statement regarding partial interest, when applicable (for charitable contributions)

### IV. Appraisal Terms

- \_\_\_\_\_ Type of Report (Appraisal Report or Restricted Appraisal Report) ▲
- \_\_\_\_\_ Intended use of the appraisal report (for charitable contributions, additional statement that the appraisal was prepared “for income tax purposes”) ▲ ●
- \_\_\_\_\_ Intended Users (by name or type) ▲
- \_\_\_\_\_ Type of value (appropriate to the intended use, law, regulation or contract) ▲ ●
- \_\_\_\_\_ Definition of type of value ▲ ●
- \_\_\_\_\_ Authoritative source of definition of type of value ▲

**V. Approaches to Value**

- \_\_\_\_\_ Define all three Approaches to Value (Sales Comparison, Cost and Income Approaches)
- \_\_\_\_\_ Reason for excluding any Approach(es) to Value ▲
- \_\_\_\_\_ Reason for using any Approach(es) to Value

**VI. Assignment Conditions, Limiting Conditions, and Assumptions**

- \_\_\_\_\_ Statement that the opinion of value is only for the effective date of valuation and only for the stated intended use
- \_\_\_\_\_ General limiting conditions ▲
- \_\_\_\_\_ Property-specific limiting conditions ▲
- \_\_\_\_\_ Assignment Conditions (i.e. limitations to inspection, etc.) ▲
- \_\_\_\_\_ Assumptions ▲
- \_\_\_\_\_ Disclosure of hypothetical conditions and extraordinary assumptions with notations about their possible effect on value (if applicable) ▲
- \_\_\_\_\_ Continuing obligations (such as record keeping)
- \_\_\_\_\_ Statement of basis of fee ▲ ●
- \_\_\_\_\_ Conclusion of the contractual obligation (at the end of the assignment)

**VII. Appraiser's Certification and Declaration Statement of Appraiser**

- \_\_\_\_\_ Current USPAP version in Standard 8 of USPAP ▲
- \_\_\_\_\_ Appraiser's signature block and date (removed for submission for accreditation) ▲
- \_\_\_\_\_ Declaration statement signed and dated (IRS) ●

**VIII. Description of Property (Physical Characteristics & Factual Information)**

- \_\_\_\_\_ Name (or title) of property ▲ ●
- \_\_\_\_\_ Measurements/dimensions ▲ ●
- \_\_\_\_\_ Manufacturer/artist/maker/author (if known) or country of origin (dates and nationality of artist, if applicable) ▲ ●
- \_\_\_\_\_ Inscriptions and markings: identification details: may include signature, trademark, cast number, foundry mark, edition number, etc. ▲ ●
- \_\_\_\_\_ Materials and techniques (media) ▲ ●
- \_\_\_\_\_ Date, style or period ▲ ●
- \_\_\_\_\_ Distinguishing features (identity related, i.e. “kiln kiss”) ▲ ●
- \_\_\_\_\_ Statement of condition (include damages, repairs) ▲ ●
- \_\_\_\_\_ Provenance, literary references, catalogue raisonné, exhibition history, (if applicable) ▲ ●
- \_\_\_\_\_ Summary of visual elements (explanation of what you are looking at)

\_\_\_\_\_ Value Conclusion ●

## IX. Photographs

\_\_\_\_\_ Minimum size 3"x5" (See special photo requirements for all IRS assignments) ●

(Note: "thumbnail" size are acceptable when digital photographs are also provided) For accreditation and advancement, photos that are at least 3" x 5" inches are required

\_\_\_\_\_ Identify subject property (with title or item number) and distinguish from comparable properties

## X. Narrative

*The Narrative is one section of the report divided into several areas of subject matter.* It is not required that each subject in the narrative be separately titled or in its own section. Instead, the elements of the narrative (listed below as A, B, C ) can be woven into the argument for the value conclusion.

### A. Narrative: Interpretative Description

\_\_\_\_\_ Summary of pertinent components from the Literal Description that contribute to the value conclusion (possibilities can include style and period of the work, stature of artist with brief biography, condition, markings, provenance) ▲ ●

\_\_\_\_\_ Elements of quality and characteristics of value (both observable and endowed) with market examples ▲ ●

\_\_\_\_\_ Ranking of property ▲ ●

\_\_\_\_\_ Research methodology (including method of identification and equipment, if applicable) ▲ ●

### B. Narrative: Market Discussion

\_\_\_\_\_ Explanation of appraiser's research methods and activities ▲ ●

\_\_\_\_\_ Identification and explanation of choice of appropriate market ▲ ●

\_\_\_\_\_ Comparables (as relevant to scope of work) ▲ ●

\_\_\_\_\_ Analysis of all market activity ▲ ●

\_\_\_\_\_ Primary market: seller and location, date, asking/sold prices (of comparable properties)

\_\_\_\_\_ Secondary Market and Auction: seller and location, date, asking/sold prices, house, lot number, date of sale, price realized (hammer price or with buyer's premium)

\_\_\_\_\_ Private treaty transactions (if known)

\_\_\_\_\_ Value characteristics of comparables in relation to the subject property (similarities and differences) ▲ ●

\_\_\_\_\_ State of the economy and context of the market (as it relates to the property being appraised, as of effective date) ▲ ●

\_\_\_\_\_ Exposure time, if applicable ▲

### **C. Narrative: The Logic of the Argument and Conclusion**

- \_\_\_\_\_ Analysis of data with explanation of methodology ▲ ●
- \_\_\_\_\_ Adjustments ▲ ●
- \_\_\_\_\_ The effect of assignment conditions (hypothetical conditions, assumptions, extraordinary assumptions, other assignment conditions) on value, if any ▲ ●

### **D. Narrative: Reconciliation**

- \_\_\_\_\_ Rationale for approach, if more than one was used (include logical explanation of conclusion) ▲

### **XI. Graphs, Exhibits, Tables (when applicable)**

- \_\_\_\_\_ Titled/captioned
- \_\_\_\_\_ Captions for specific headings within the graphs, charts, tables, etc.

### **XII. Works/Sources Consulted and Bibliography**

- \_\_\_\_\_ Standard bibliographic format or citation
- \_\_\_\_\_ Consistent format
- \_\_\_\_\_ Alphabetical order
- \_\_\_\_\_ Galleries, retail sources, auction houses (primary and secondary market sources)
- \_\_\_\_\_ Internet sources
- \_\_\_\_\_ Authorities, experts, and sources consulted
- \_\_\_\_\_ Books and publications (primary and secondary documentation sources)
- \_\_\_\_\_ USPAP (current as of appraisal report date) and ASA PPC Monographs

### **XIII. Glossary**

- \_\_\_\_\_ Alphabetical order
- \_\_\_\_\_ Pertinent to property and appraisal assignment
- \_\_\_\_\_ Attribution (authoritative or scholarly sources of definitions for terms in glossary)
- (No need to define USPAP terms as USPAP is already cited)

### **XIV. Privacy Statement (requirement of US Federal law and FTC regulation)**

- \_\_\_\_\_ In accordance with Gramm-Leach-Bliley Act of 1999 and FTC regulations (use ASA statement or one with similar content). There is no need to mention GLB legislation.

**XV. Credentials ● | Competency ▲**

- \_\_\_\_\_ Education (general, appraisal) ▲ ●
- \_\_\_\_\_ Appraisal and market-related experience and background ▲ ●
- \_\_\_\_\_ Experience and education specific to the property appraised (expanded explanation of education and experience for charitable contributions) ●
- \_\_\_\_\_ Accreditation and organization affiliation(s) ▲ ●
- \_\_\_\_\_ Arranged in logical format

**XVI. Additional Report Components**

- \_\_\_\_\_ Analyses, opinion and conclusions must be meaningful and not misleading for intended users ▲
- \_\_\_\_\_ Contain sufficient data to produce credible results ▲ ●
- \_\_\_\_\_ Numbered pages
- \_\_\_\_\_ Format
- \_\_\_\_\_ Professional presentation (letterhead)
- \_\_\_\_\_ Readable font size (11 pt. minimum)
- \_\_\_\_\_ Headers and footers (can be used)
- \_\_\_\_\_ Correct English grammar and spelling
- \_\_\_\_\_ Consistent format for multiple items
- \_\_\_\_\_ Charitable Contributions, Contemporaneous Written Acknowledgement (CWA), if available ●