

AMERICAN SOCIETY OF APPRAISERS

PERSONAL PROPERTY

Appraisal Report Writing Checklist



APPRAISAL REPORT WRITING CHECKLIST

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. All reports must be USPAP-compliant and should reflect the appraiser's best work product.

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 for works of art valued at over \$50,000, 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 ▲ ●
- _____ Summary of contractual obligations with client specific to assignment
- _____ 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.) ▲ ●
- _____ Partial interest effect on value, when applicable (for charitable contributions) ●
- _____ 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)
- _____ Statement of compliance with USPAP and the ASA “Principles of Appraisal Practice and Code of Ethics”
- _____ Signature block with signature
- _____ Statement of appraiser qualifications (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/or extraordinary assumptions with notations about their possible effect on value (if applicable) ▲
- _____ Continuing obligations (such as record keeping)
- _____ Limitation of responsibility of appraiser for information provided by client or other sources, including experts (when applicable)
- _____ 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 (removed for submission for accreditation) ▲
- _____ Declaration statement signed and dated (for IRS appraisals) ●

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, information about conservation, restoration, and/or refurbishment, when relevant) ▲ ●
- _____ 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"x 5" (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. Body of Appraisal Report

The body of the appraisal report/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, and D) can be woven into the argument for opinion of value.

A. A Body of Report: Interpretative Description

_____ Summary of physical and economic characteristics 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) ▲ ●

_____ Method of identification and equipment used (if applicable) ▲ ●

_____ Research Methodology ▲ ●

B. Body of Report: Market Discussion

_____ Explanation of appraiser's research methods and activities ▲ ●

_____ Identification and explanation of choice of appropriate market ▲ ●

_____ Property's current use (and alternative uses if relevant to 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. Body of Report: The Logic of the Argument and Conclusion

_____ Analysis of research with explanation of analysis ▲ ●

_____ Adjustments ▲ ●

_____ The effect of assignment conditions (hypothetical conditions, assumptions, extraordinary assumptions, other assignment conditions) on value, if any ▲ ●

D. Body of Report: Reconciliation

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

XI. Graphs, Charts, and 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

_____ Terms pertinent to property in appraisal assignment

_____ Alphabetical order

_____ Attribution (authoritative or scholarly sources of definitions for terms in glossary)

(Note: 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.

(Note: There is no need to mention GLB legislation in the appraisal report).

XV. Credentials and Qualifications ● | 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 communicated in a meaningful and not misleading manner ▲
- _____ Contain sufficient data to produce credible results ▲ ●
- _____ Numbered pages
- _____ Professional format and presentation
- _____ Easily readable font type and size (11 pt. minimum)
- _____ Headers and footers (can be used)
- _____ Correct English grammar and spelling
- _____ Consistent format for multiple items
- _____ For Charitable Contributions, copy of Contemporaneous Written Acknowledgement (CWA), copy of title transfer document and/or acknowledgement of contribution, if available ●
(For reports submitted for accreditation or advancement, note that documents have been redacted)