



Are Your Appraiser's Credentials Real?

Recently, appraisers and collectors have noticed numerous advertisements and promotional material from other personal property appraisers who may have completed a Uniform Standards of Professional Appraisal Practice (USPAP) course and describe themselves as a "USPAP Certified Appraiser." Others may deem their appraisal reports "USPAP Certified Appraisals." Both of these terms are incorrect and are not approved by the three major personal property appraisal organizations: the International Society of Appraisers, the Appraisers Association of American and the American Society of Appraisers.

"USPAP Certified Appraiser" and "USPAP Certified Appraisal" statements are not designated as a credential and should not be used as one. Users of appraisers, such as collectors, accountants, attorneys, insurance firms etc. should certainly proceed with caution if they see an appraiser stating they are "USPAP Certified" as **it may be an indication the personal property appraiser is either not properly trained or is being misleading** by relying on a false credential.

The use of these false designations and credentials by personal property appraisers has come to the attention of the Appraisal Foundation, which has recently released guidance on the topic. According to the Appraisal Foundation and the Appraisal Qualifications Board, "there is no such credential. The use of the expression 'USPAP Certified Appraiser' is misleading. Completing a USPAP course does not entitle one to call oneself a 'USPAP Certified Appraiser'."

The Appraisal Foundation continues:

"One requirement for an appraisal or appraisal review is that the report include the appraiser's certification that, to the best of his or her knowledge and belief, the work was performed 'in conformity with the Uniform Standards of Professional Appraisal Practice.' The use of language such as 'USPAP Certified Appraisal' could be taken by intended users to mean that there was some independent certification of compliance. If that could be inferred from the language used, this would also be misleading."

The fine and decorative art collector who is looking to have his collection appraised should consider how the appraiser represents their credentials. With this guidance, appraisers who have taken the 15 Hour USPAP class and passed the exam, and who have taken the required updated classes, should note their appraisal reports are written *in compliance with the current version of USPAP and the ISA Report Writing Standard*. If the appraiser is stating they are "USPAP Certified," users of appraisers should proceed with caution. As the Appraisal Foundation notes, it is misleading and misrepresents the qualification.



Find an ISA Appraiser.

5 Questions to ask when interviewing an appraiser

1. What qualifies you to appraise my property?
2. Do you belong to an appraisal society that tests its members?
3. Have you been tested? Do you take continuing education classes?
4. How will you handle items which may be outside your specialty area?
5. What is your fee and on what basis do you charge?

Visit
www.isa-appraisers.org
for information on these important questions.

What to Know When Donating Art

In today's collecting marketplace, many high net worth individuals (HNWIs) are building large and, in some cases, important art collections. They will often start a foundation or make donations from their collections to museums.

The Investment News published an article recently about making proper plans for donations to museums. The article noted the following seven items to consider when making a donation to a museum or cultural institution.

1. Work with professional advisors (financial planners, tax attorneys and art advisors) to take advantage of tax laws and future estate-planning options
2. Work with museums that have an interest and mission related to the donated work
3. Consider the institution's deaccessioning standards and guidelines
4. Ask if the institution is part of a regulatory association such as AAMD
5. Find out the financial health of the organization
6. Consider additional financial support to the institution
7. Request a statement of intent to share with family members so they know both the donor and donee's expectations for the gift

It is important to note that the first item on the list is to work with professional advisors, including art advisors. As professional personal property appraisers know, for any non-cash charitable donation worth over \$5,000, the Internal Revenue Service requires a qualified appraisal written by a qualified appraiser. Additionally, for the donor to take full advantage of the charitable contribution and tax deduction, the donated art is required to be related to the recipient museum or cultural institution's nonprofit mission.

Given all of the various scenarios, potential donor institutions, and tax implications, it is important for HNWI art collectors to employ professionals for proper advice, direction and valuations.

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