Significant Appraisal Manual

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Uniform Standards of Professional Appraisal Practice: 2014-2015 Edition is a manual very few Manuscripts readers will ever read, whether collectors or curators, librarians or (alas!) dealers. But USPAP, as it’s called, is the undisputed gold standard when it comes to legal guidelines about professional and ethical practices in any appraisal. It may sound as cozy as curling up before a fireplace with the IRS codes, but this is one manual with which anyone at all interested in historical documents should at least be familiar.

“Appraisal” has become the most misused and misunderstood word bandied about in the autograph world in recent years. Thanks to Antiques Roadshow and its spinoffs and a string of kitschier cousins (American Pickers, Storage Wars, Pawn Shop, et nauseating cetera), this formerly dignified word has taken on a whole new meaning in our television-engorged society. As a dealer, I’m frequently asked if I perform appraisals. I reply yes, this is a professional service for which a written research report is provided for estate purposes, insurance purposes or tax donation purposes, and of course there’s a cost involved. More often than not the surprised response is: Oh, I just want to know how much my stuff’s worth. “Appraisal” has clearly come to mean a five-minute dog and pony show in which some expert waxes poetic about an item’s qualities or belittles its flaws and offers an unresearched, off-the-cuff opinion on how much the item might fetch at auction. By the way, I do offer to look at and chat informally about their “stuff” if they wish to bring it in. Another surprised look follows: You mean I can’t just tell you what I have? This conversation has played out countless times.

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USPAP, despite its ungainly acronym, is not a governmental publication. It was first published in 1987 and is revised and updated about every other year. Its publisher, The Appraisal Foundation, is one of the “big three” of appraisal organizations, along with the Appraisers Association of America and the American Society of Appraisers. USPAP proclaims it is “Authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications,” and is cited equally by members of all of the above organizations. It should be cited by anyone performing appraisals whether or not they belong to a national organization.
USPAP is a dense, packed textbook. Expect no literary style, allusions, metaphors and such niceties here. Make no mistake – bathtub or beach reading this ain’t. USPAP is a tightly organized manifesto, a methodical point-by-point guide meant to “Provide performance standards for real property, mass, personal property appraisal and business valuation” and to “Clarify, interpret, explain, and elaborate on appraisal standards.” You know a text intends to have every detail referred to and quoted when, like the Bible, every single line is numbered for future citation. USPAP’s stated “purpose… is to promote and maintain a high level of public trust in appraisal practice by establishing requirements for appraisers. It is essential that appraisers develop and communicate their analyses, opinions, and conclusions to intended users of their services in a manner that is meaningful and not misleading.” Serious stuff, meant to be taken seriously.

A proper appraisal -- what to the public appears a fun Antiques Roadshow chitchat -- should actually be, as USPAP amply demonstrates, an involved process governed by rules aplenty. There’s the ethics rule, record keeping rules, competency rules, scope-of-work rules, jurisdictional exception rules and more. The ethics rule, for instance, contains the Ten Commandments (eleven, actually) of appraising – a series of thou-shalt-nots intended to insure that the “appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests.” An appraiser “must not perform an assignment with bias; must not advocate the cause or interest of any party or issue; must not accept an assignment that includes the reporting of predetermined opinions and conclusions,” and so on. Sounds like common sense – yet those hiring an appraiser for the first time have likely never given these considerations a thought. These safeguards are there for everybody’s protection and to keep everyone honest.

Compliance with USPAP really becomes critical “when obligated by law or regulation” – that is, when items are appraised for tax donation, estate or insurance purposes or any other purpose involving the law. If the owner of an Abraham Lincoln letter wants to know its fair market value just to know how securely to maintain it in his home, that’s one matter. But if the owner wishes to donate it to his alma mater and wants to know fair market value in order to claim a tax deduction of the letter’s value, an outside appraisal is an IRS requirement for any item valued over $5,000 and must note the appraisal’s intended use. That appraisal must satisfy a bevy of regulations in order to stand up in case of an IRS audit or other legal scrutiny.
It may surprise some that an appraiser’s competency does not hinge upon membership in any of the appraisal organizations noted earlier. Membership is not required, despite rumors floating around for years that eventually the IRS would make such membership obligatory. According to one source, 60 to 70 percent of all appraisers in the U.S. are not performed by appraisers with memberships in any of these organizations. The appraiser does need to state in writing and be able to prove that he or she is knowledgeable about and regularly appraises similar material. In the autograph world, I know of only one full-time dealer who’s jumped through the ropes to attain membership in an appraisal organization. In the antiquarian book world, I personally know of no booksellers who have thought it necessary to pursue this, though it’s possible there may be one or two. In the antiques world in its broadest sense, there are general antiques appraisers, broad-spectrum soup-to-nuts folks, whose sole or main revenue stream comes from appraisals. For them, maintaining membership in a national appraisal organization is crucial. But for the vast majority of experts in the historical document and antiquarian book world, appraisals are usually one minor revenue stream among many, something that’s done as time permits. Most dealers I know are busy buying, selling, cataloguing, exhibiting – taking care of daily business. And yes, occasionally performing appraisals.

To be fair, this review only concerns a small portion of USPAP. A great deal of USPAP concerns real estate appraisals, a different beast entirely, and isn’t of interest or relevance to the appraisal of “personal property,” which includes all forms of antiques such as autographs and documents. But those portions that do involve personal property are crucial, and autograph dealers who perform appraisals that may involve legal regulations disregard its principles at their own peril.

So although few in the autograph world will find it necessary to read Uniform Standards of Professional Appraisal Practice, many should know about it enough to realize that any appraisal they pursue ought to be USPAP compliant. They should expect that any serious full-time dealer studies, consults and abides by it. A true and proper appraisal, especially if intended for any legal purpose and not just for the edification of the owner of the item(s) being appraised, will make conspicuous note of this fact and will contain page after page of statements proving this compliance. Think of USPAP like Ben Hur and Pilgrim’s Progress: Everyone should know about them, few can actually claim to have read them. Anyone interested in autograph material should be aware enough of Uniform Standards of Professional Appraisal Practice to know that their appraiser should know it inside and out.