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## Appraisal Review Spotlight

*The Appraisal Certification Page  
(USPAP Standards Rule 8-3)*

— Bob Yeoman, CEA



Many years ago I had a calculus teacher who used two words often during the course of our classroom work, "Constant Review". There are no two words with greater meaning, application, and importance to us in the appraisal profession. As personal property appraisers (machinery and equipment) we should know the most important sections to us in that massive USPAP book are Standard 7 (Personal Property Appraisal - Development) and Standard 8 (Personal Property Appraisal – Reporting). Reviewing these two USPAP sections from time to time will serve us well as appraisers.

Appraisal reports that are stated to be USPAP compliant must have the required parts and verbiage. One such part in a compliant report pertains to Standards Rule 8-3. This rule states that each written personal property report must contain a "signed certification" page that has these ten(10) minimum required statements (elements), as follows:

*I certify that, to the best of my knowledge and belief:*

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
4. I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment
5. I have no bias with respect to the property that is subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
10. No one provided significant personal property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant personal property appraisal assistance must be stated.)

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**AMEA APPRAISER**

The AMEA Appraiser is published by the Association of Machinery and Equipment Appraisers

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**MISSION**

To certify and accredit the most qualified capital equipment appraisers in the appraisal industry through promotion of standards of professional practice, ethical conduct, and market-based experience.

**AMEA members are listed at:**  
[www.amea.org](http://www.amea.org)

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AMEA Appraiser welcomes contributions from members and others in the machinery and equipment appraisal community.

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Editor, AMEA Appraiser at  
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## From the Board Room

### AMEA Member Benefits

— Don Bentley, CEA, AMEA Second Vice President

Are you taking advantage of all of the member benefits that AMEA has to offer as part of your membership? We are here to serve you and want to ensure that you are getting everything out of your membership that you possibly can.

In order to receive the professional designation as an AMEA Accredited or Certified Appraiser and to enjoy these membership benefits you must begin the process of gaining the experience and education needed to do the job. This means working in the used equipment sales industry for a minimum of three years learning the value of assets and the various methodology of selling them. This process never ends, you will constantly learn as the marketplace adapts to current conditions.

**RECOGNIZED PROFESSIONAL DESIGNATIONS**—More and more lending institutions are asking for appraisals from certified and accredited appraisers. When the value of assets is needed for capital equipment many are asking specifically if the appraiser is AMEA certified.

**TIMELY NEWS**—AMEA quarterly publishes an AMEA Appraiser Newsletter. It highlights association activities, important updates on standards and specific information on capital equipment appraisals. In addition, the newsletter is distributed to banks and lending institutions, which keeps AMEA in front of potential clients.

**CONTINUING EDUCATION OPPORTUNITIES**—Where it's at the annual MDNA convention, a standalone AMEA seminar, USPAP, webinar or through the Continuing Education Section of the website's back office, the AMEA strives to provide its members with a variety of educational opportunities to enhance their business. Visit the AMEA calendar of events page to see all of the upcoming opportunities!

**REFERRALS TO CLIENTS**—Through our free referral service, the AMEA is able to gather specific information from potential clients and disseminate it to all members. These emails come directly to your inbox once we receive them and they are a great way to grow your business and find new clients.

**NETWORKING**—The industry contacts made through membership in the AMEA will prove to be invaluable to those in the appraisal industry. By attending conventions, meetings and seminars, members gain a wealth of education and contacts to enhance their resume and appraisal business.

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**Welcome  
New Members**

**Andrew Duncan, AEA**

The Branford Group  
896 Main Street  
Branford, CT 06405  
aduncan@thebranfordgroup.com  
203-464-1610

\*\*\*\*\*

**Ryan Luggen, AEA**

Cincinnati Industrial Auctioneers  
2020 Dunlap St  
Cincinnati, OH 45214  
ryan@cia-auction.com  
513-241-9701

**Know someone who is interested in becoming a member of AMEA? Have them reach out to AMEA Director of Member Services, Meghan McLellan at [meghan@amea.org](mailto:meghan@amea.org) or 703-836-7900**

## Appraisal Review Spotlight (Cont'd)

*Continued from Page 1*

There are a few additional points to mention concerning this certification page. Those comments, taken directly from the USPAP book under Standards Rule 8-3, are:

- A signed certification is an integral part of the appraisal report. An appraiser who signs any part of the appraisal report, including the letter of transmittal, must also sign this certification.
- In an assignment that includes only assignment results developed by the personal property appraiser(s), any appraiser(s) who signs a certification accepts full responsibility for all elements of the certification, for assignment results and for the contents of the appraisal report.
- When a signing appraiser(s) has relied on work done by appraisers and others who do not sign the certification, the signing appraiser is responsible for the decision to rely on the work. The signing appraiser(s) is required to have a reasonable basis for believing that those individuals performing work are competent. The signing appraiser(s) also must have no reason to doubt that the work of those individuals is **credible**.
- The names of individuals providing significant personal property appraisal assistance who do not sign a certification must be stated in the certification.

As a member of the AMEA Appraisal Review Committee, we look for these elements in all certification pages. Appraisals that do not contain these minimum ten (10) elements are sent back to the appraiser, with comments, for change and resubmission.

*For you as a member of the Association of Machinery and Equipment Appraisers, your association has adopted a few additional disclosure statements that could logically appear on the appraisal certification page. Those statements are:*

- No pertinent information was withheld or overlooked, and I, the undersigned, further certify that I have not been influenced in any way during the preparation of this appraisal report by any party(s) having a financial or other interest in this report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Standards and Procedures of Professional Appraisal Ethics and Practice* of the Association of Machinery and Equipment Appraisers.
- Values rendered are an opinion of the appraiser and not a guarantee of value

**Note: AMEA requires that the Appraisal Certification Page bear the members valid AMEA Seal.**

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## Tools of the Trade

### ***Why the Accuracy of the Asset List is Paramount to the Overall Value***

— John Hagist, Loeb Equipment & Appraisal Company

It is important to take a proactive approach to ensuring the assets reported in our valuations are correct and that the list is complete. An integral step in this approach is our Asset Verification Process. Upon completion of the field inspection, it is important to issue an asset verification list back to the facility with two primary questions in mind.



**First of all, is the list complete?** It's not necessarily a concern that the appraisers may have "missed" something, but more that the facility didn't show everything. There could be additional assets at an offsite location currently being rebuilt or at a co-packers facility, but that should also be included with the report.

**Secondly, are all of the assets owned outright or are there any leased assets?** It's most common that equipment within a facility belongs solely to a customer, but often times major assets or newly installed lines are leased. Regardless of ownership, we leave the assets within our report, and make sure they are clearly identified as "Property of Others" or "Leased." While it doesn't factor into the overall value of the facility, leaving all the assets in the report regardless of ownership removes any question of whether the assets were inspected and what the status of each asset is.

As an example, our company recently appraised a contract packaging facility in which a complete production line was owned by one of their clients. If that had not been disclosed during this asset verification process, there would be have been an additional \$750,000 in value left in the appraisal which would have distorted the overall opinion of value.

With every engagement comes the distinction of whether the appraisal client is in search of a complete report or just a report delivered quickly. Obviously it's the nature of business today to want to turn around information in an expedient manner, but as accredited valuation experts, first and foremost we stake our reputation on providing a complete and accurate report. While it may seem like just an extra step, the final hurdle to issuing the final report, the asset verification process, is integral to issuing the most accurate and complete appraisal as possible.

## 2016-2017 AMEA Important Dates

### November

November 16, 12pm ET  
AMEA Webinar  
Ribbon Blenders

### December

December 14, 12pm ET  
MDNA Lunch & Learn  
Risk Management

December, TBD  
AMEA Webinar  
Safety Procedures

### January 2017

January 27-28th  
AMEA Committee & Board  
Meeting  
Rancho Mirage, CA

For more event information:  
Call AMEA: **703-836-7900**  
or visit [www.amea.org](http://www.amea.org)

### AMEA Disclaimer

Articles contained in the AMEA/Appraiser Newsletter are the opinion of the contributing authors. Articles have not been checked for accuracy. Content may, or may not, reflect the current accepted trends of that industry. The Association of Machinery and Equipment Appraisers disclaims any responsibility for any use, or misuse of information contained herein.

## From the Board Room (Cont'd)

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**DISCOUNTS** – Members receive discounts on AMEA seminars, MDNA conventions and trade shows.

Looking for new ways to get involved or have a question about one of the many great member benefits? We encourage you to reach out to AMEA Headquarters, one of the AMEA Officers or any of the AMEA Board Members. We are here to help ensure you are getting the most out of your AMEA membership!

## Appraisal Review Spotlight (Cont'd)

*Continued from Page 3*

The final comment to the Appraisal Certification Page is this - The elements (statements) listed are the minimum required under USPAP and are a logical place to insert statements that AMEA has adopted. During the course of appraisal review, the committee members see certification pages that have many additional statements. USPAP mentions nothing about supplementing this page with additional statements. Statements that serve a useful purpose to the appraisal report, give further definition, and do not confuse the reader, should be considered vital to a credible appraisal report.

During the course of completing your assignment (Intended Use) for the client (Intended User), you as the appraiser are, for lack of a better term, driving the bus. Your responsibility to the client is to identify the problem to be solved, determine the scope of work necessary to solve the problem(s) of the engagement, and complete the research and analysis necessary to provide the client with information that is credible.

The Appraisal Certification Page gives clarity to your reader (intended user) that your report has been completed according to USPAP in a professional and unbiased manner.

Remember, membership in AMEA provides access to all types of information to assist you as an appraiser. AMEA is your appraisal tool allowing you access to an economical network (members and programs) that is available at any time. One only needs to reach out to enjoy these member benefits and the constant review AMEA performs for its members.

### Note:

- AMEA members can access sample documents such as the Appraisal Certification Page, for reference, by logging into AMEA.org back office
- Information for this article was obtained from Uniform Standards of Professional Appraisal Practice by The Appraisal Foundation

## Events

### 2017 AMEA Appraisers' Forum

SAVE  
THE  
DATE

2017 **AMEA**  
ASSOCIATION OF MACHINERY  
AND EQUIPMENT APPRAISERS

APPRAISERS'  
**FORUM**  
MARCH 16 - 17

CHICAGO

AMEA has decided to shake things up a bit and is changing this year's Forum to have a slightly different format. We will still be in Chicago; however, we will be condensing the event.

The program will start on Thursday, March 16<sup>th</sup> with a 7-hour USPAP class and we will follow this course with our customary MDNA Chicago Chapter Meeting, which all attendees are invited to attend. The following day, Friday, March 17<sup>th</sup>, we will have the condensed Forum. We plan to offer just as many informative presentations from industry leaders; however, we will have the added twist of the Forum being held on location at Raco Industrial Corporation in Des Plaines, IL. Raco Industrial is a world-wide dealer in new and pre-owned conventional and CNC metalworking machinery. They have over 1,000 machines in stock in a 77,000 square foot heated warehouse.

The condensed program will allow you to come in and out in one day if wanted to cut down on time away from office, while still giving you the opportunity to earn a large chunk of continuing education hours. We will be able to utilize the Raco warehouse by seeing machines up close and taking our learning to a new level. Registration will open soon so be on the lookout for more information about speakers, registration and hotel information. Attend all 3 events (USPAP, Chapter Meeting and Forum) and earn up to 18 continuing education hours! This is an event that you won't want to miss!